NEWFIELD

July 13, 2006

State of Utah
Division of Oil, Gas & Mining
Attn: Diana Whitney
1594 West North Temple - Suite 1210
P.O. Box 145801
Salt Lake City, Utah 84114-5801

RE: Applications for Permit to Drill: Horseshoe Bend State 4-28-6-21, 3-36-6-21, and 12-36-6-21.

Dear Diana:

Enclosed find APD's on the above referenced wells. When these APD's are received, please contact Shon McKinnon to set up a State On-Site. The proposed locations are also Exception Locations. Our Land Department will send you the required Exception Location Letters. If you have any questions, feel free to give either Shon Mckinnon or myself a call.

Sincerely,

Mandie Crozier
Regulatory Specialist

mc
enclosures

RECEIVED
JUL 14 2006
DIV. OF OIL, GAS & MINING

FORM 3

STATE OF UTAH

DIVISION OF OIL, GAS AND MINING

5. LEASE DESIGNATION AND SERIAL NO.: ML-49756

APPLICATION FOR PERMIT TO DRILL, DEEPEN

6. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A

1a. TYPE OF WORK: DRILL [X] DEEPEN [ ]

1b. TYPE OF WELL

OIL [ ] GAS [X] OTHER [ ] SINGLE ZONE [X] MULTIPLE ZONE [ ]

7. UNIT AGREEMENT NAME: N/A

8. FARM OR LEASE NAME: N/A

2. NAME OF OPERATOR: **Newfield Production Company**

9. WELL NO.: **Horseshoe Bend State #4-28-6-21**

3. ADDRESS AND TELEPHONE NUMBER: **Route #3 Box 3630, Myton, UT 84052** **Phone: (435) 646-3721**

10. FIELD AND POOL OR WILDCAT: **Horseshoe Bend**

4. LOCATION OF WELL (FOOTAGE)

At Surface: **Lot #2 NW/NW 705' FNL 1295' FWL**

At proposed Producing Zone: 622004X 40.274962 4459053Y -109.564999

11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:

Lot #2 NW/NW
Sec. 28, T6S, R21E

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*: **Approximately 25.1 miles southwest of Vernal, UT**

12. County: **Uintah** 13. STATE: **UT**

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT.(Also to nearest drlg. unit line, if any)	16. NO. OF ACRES IN LEASE	17. NO. OF ACRES ASSIGNED TO THIS WELL
Approx. 705' f/lse line and NA' f/unit line	**67.50**	**Approx. 40**

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR ON THIS LEASE, FT.	19. PROPOSED DEPTH	20. ROTARY OR CABLE TOOLS
NA	**3900'**	**Rotary**

21. ELEVATIONS (Show whether DF, RT, GR, etc.): **4702' GL**

22. APPROX. DATE WORK WILL START*: **3rd Quarter 2006**

23. **PROPOSED CASING AND CEMENTING PROGRAM**

SIZE OF HOLE	SIZE OF CASING	WEIGHT/FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4	8 5/8	24#	290'	155 sx +/- 10%
7 7/8	5 1/2	15.5#	TD	Volumes will be calculated off of Logs +/- 15%
				See Detail Below

DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give date on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

***The actual cement volumes will be calculated off of the open hole logs, plus 15% excess:**

SURFACE PIPE - 155 sx Class G Cement +/I 10%, w/ 2% CaCl2 & 1/4#/sk Cello-flake
Weight: 15.8 PPG YIELD: 1.17 Cu Ft/sk H2O Req: 5 gal/sk

LONG STRING - Lead: Premium Lite II Cement + 3lbs/sk BA-90 + 3% KCl + .25 lbs/sk Cello Flake + 2 lbs/sk Kol Seal + 10% Bentonite + .5% Sodium Metasilicate
Weight: 11.0 PPG YIELD: 3.43 Cu Ft/sk H2O Req: 21.04 gal/sk

Tail: 50-50 Poz-Class G Cement + 3% KCl + .25 lbs/sk Cello Flake + 2% Bentonite + .3% Sodium Metasilicate
Weight: 14.2 PPG YIELD: 1.59 Cu Ft/sk H2O Req: 7.88 gal/sk

24.

Name & Signature: Mandie Crozier Title: **Regulatory Specialist** Date: **7/13/2006**

Mandie Crozier

(This space for State use only)

API Number Assigned: 43-047-38346 APPROVAL:

Approved by the Utah Division of Oil, Gas and Mining

Date: 09-21-06

By:

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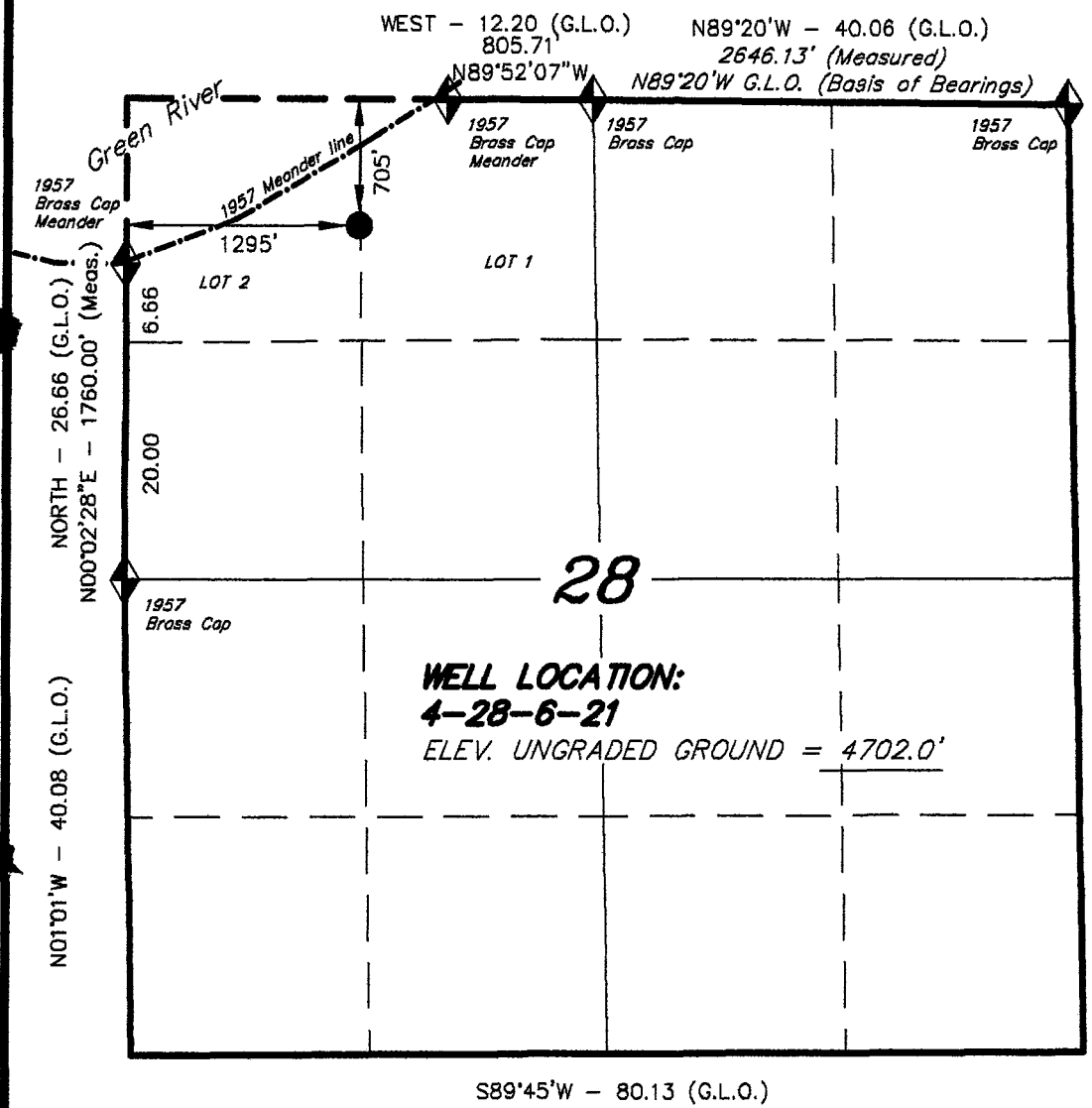
JUL 14 2006
DIV. OF OIL, GAS & MINING

T6S, R21E, S.L.B.&M.



◆ = SECTION CORNERS LOCATED

BASIS OF ELEV;
U.S.G.S. 7-1/2 min QUAD (VERNAL SE)

4-28-6-21
(Surface Location) NAD 83
LATITUDE = 40° 16' 31.02"
LONGITUDE = 109° 33' 56.63"

NEWFIELD PRODUCTION COMPANY

WELL LOCATION, 4-28-6-21, LOCATED AS SHOWN IN LOT 2 OF SECTION 28, T6S, R21E, S.L.B.&M. UINTAH COUNTY, UTAH.

1000' 500' 0' 1000'
BAR SCALE

N

Note:
The Proposed Well head bears S61°38'12"W 1476.70' from the North 1/4 Corner of Section 28.

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

REGISTERED LAND SURVEYOR No.189377 STATE OF UTAH

STACY W. STEWART
REGISTERED LAND SURVEYOR
REGISTRATION No. 189377
STATE OF UTAH

TRI STATE LAND SURVEYING & CONSULTING
180 NORTH VERNAL AVE. – VERNAL, UTAH 84078
(435) 781-2501

DATE SURVEYED: 03-23-06	SURVEYED BY: D.P.
DATE DRAWN: 03-28-06	DRAWN BY: F.T.M.
REVISED:	SCALE: 1" = 1000'

NEWFIELD PRODUCTION COMPANY
HORSESHOE BEND STATE #4-28-6-21
LOT #2 SECTION 28, T6S, R21E
UINTAH COUNTY, UTAH

TEN POINT DRILLING PROGRAM

1. **GEOLOGIC SURFACE FORMATION:**

Uinta formation of Upper Eocene Age

2. **ESTIMATED TOPS OF IMPORTANT GEOLOGIC MARKERS:**

Uinta	Surface
Green River	3900'

3. **ESTIMATED DEPTHS OF ANTICIPATED WATER, OIL, GAS OR MINERALS:**

Green River Formation 3900' – Gas

4. **PROPOSED CASING PROGRAM:**

Surface Casing: 8-5/8" J-55 24# w/ST&C collars; set at 290' (New)
Production Casing:5-1/2" J-55, 15.5# w/LT&C collars; set at TD (New or used, inspected).

5. **MINIMUM SPECIFICATIONS FOR PRESSURE CONTROL:**

The operator's minimum specifications for pressure control equipment are as follows:

An 8" Double Ram Hydraulic unit with a closing unit will be utilized. Function test of BOP's will be check daily.

Refer to **Exhibit C** for a diagram of BOP equipment that will be used on this well.

6. **TYPE AND CHARACTERISTICS OF THE PROPOSED CIRCULATION MUDS:**

The well will be drilled with fresh water/polymer system to TD. If necessary, to control formation fluids, the system will be weighted with the addition of bentonite gel, and if conditions warrant, barite. This fresh water system typically will contain Total Dissolved Solids (TDS) of less than 3000 PPM. Neither potassium chloride nor chromates will be utilized in the fluid system. The anticipated mud weight is 8.4 ppg and weighted as necessary for gas control.

Newfield Production Company requests that the spark arrest, exhaust, or water cooled exhaust be waived under the Special Drilling Operations of Onshore Order #2.

MUD PROGRAM	**MUD TYPE**
Surface – TD'	fresh water system

A fresh water system will be used in the drilling this well from surface to TD. Clay inhibition and hole stability will be achieved with a KCL substitute additive. This fresh water system will typically contain Total Dissolved Solids (TDS) of less than 3000 PPM. Anticipated mud weight is 8.4 lbs/gal. If necessary to control formation fluids or pressure, the system will be weighted with the addition of bentonite gel, and if pressure conditions warrant, with barite. No chromate additives will be used in the mud system.

7. **AUXILIARY SAFETY EQUIPMENT TO BE USED:**

Auxiliary safety equipment will be a Kelly Cock, bit float, and a TIW valve with drill pipe threads.

8. **TESTING, LOGGING AND CORING PROGRAMS:**

The logging program will consist of a Dual Induction, Gamma Ray and Caliper log from TD to base of surface casing @ 290' +/-, and a Compensated Neutron-Formation Density Log from TD to 3000' +-. A cement bond log will be run from PBTD to cement top. No drill stem testing or coring is planned for this well.

9. **ANTICIPATED ABNORMAL PRESSURE OR TEMPERATURE:**

The anticipated maximum bottom hole pressure is 2000 psi. It is not anticipated that abnormal temperatures will be encountered; or that any other abnormal hazards such as H2S will be encountered in this area.

10. **ANTICIPATED STARTING DATE AND DURATION OF THE OPERATIONS:**

It is anticipated that the drilling operations will commence the third quarter of 2006, and take approximately seven (7) days from spud to rig release.

NEWFIELD PRODUCTION COMPANY
HORSESHOE BEND STATE #4-28-6-21
LOT #2 SECTION 28, T6S, R21E
UINTAH COUNTY, UTAH

THIRTEEN POINT SURFACE PROGRAM

1. **EXISTING ROADS**

See attached **Topographic Map "A"**

To reach Newfield Production Company well location site Horseshoe Bend State 4-28-6-21 located in the Lot #2 Section 28, T6S, R21E, S.L.B. & M., Uintah County, Utah:

Proceed southwesterly out of Vernal, Utah – 14.4 miles ± to it's junction with an existing road to the southwest; proceed southwesterly – 1.8 miles ± to it's junction with an existing road to the northwest; proceed northwesterly and then southwesterly – 1.4 miles ± to it's junction with an existing road to the northwest; proceed northwesterly – 3.7 miles ± to it's junction with an existing road to the northwest; proceed in a northwesterly direction – 3.8 miles ± to it's junction with the beginning of the proposed access road to the southeast; proceed southeasterly along the proposed access road – 190' to the proposed well location.

In the above mentioned paragraph, the highways are bituminous surfaced roads, all other roads are constructed with existing materials and gravel. The highways are maintained by Utah State road crews. All other roads are maintained by County crews.

The aforementioned dirt oil field service roads and other roads in the vicinity are constructed out of existing native materials that are prevalent to the existing area they are located in and range from clays to a sandy-clay shale material.

The roads for access during the drilling, completion and production phase will be maintained at the standards required by the State of Utah, or other controlling agencies. This maintenance will consist of some minor grader work for smoothing road surfaces and for snow removal.

2. **PLANNED ACCESS ROAD**

Approximately 190' of access road is proposed. See attached **Topographic Map "B"**.

The proposed access road will be an 18' crown road (9' either side of the centerline) with drainage ditches along either side of the proposed road whether it is deemed necessary in order to handle any run-off from normal meteorological conditions that are prevalent to this area. The maximum grade will be less than 8%.

There will be no culverts required along this access road. There will be barrow ditches and turnouts as needed along this road.

There are no fences encountered along this proposed road. There will be no new gates or cattle guards required.

All construction material for this access road will be borrowed material accumulated during construction of the access road.

3. **LOCATION OF EXISTING WELLS**

Refer to **EXHIBIT B**.

4. **LOCATION OF EXISTING AND/OR PROPOSED FACILITIES**

There are no existing facilities that will be used by this well.

It is anticipated that this well will be a producing gas well.

Upon construction of a tank battery, the well pad will be surrounded by a dike of sufficient capacity to contain at minimum 110% of the largest tank volume within the facility battery.

Tank batteries will be built to State specifications.

All permanent (on site for six (6) months or longer) structures, constructed or installed (including pumping units), will be painted Desert Tan. All facilities will be painted within six months of installation.

5. **LOCATION AND TYPE OF WATER SUPPLY**

Water for drilling and completion purposes will be obtained from one of the following sources. Refer to Exhibit "E" for a copy of the Water Use Authorization.

Owner: Target Trucking
2960 North 500 East
Vernal, Utah 84078
(435) 789-6850

Owner: AC/DC Fence and Roustabout Company
PO Box 1493
Roosevelt, Utah 84066
(435) 722-7673

Fresh water may also be purchased by Newfield Production from the Johnson Water District and trucked to the proposed location for the purpose of drilling. – **EXHIBIT D**.

There will be no water well drilled at this site.

6. **SOURCE OF CONSTRUCTION MATERIALS**

All construction material for this location shall be borrowed material accumulated during construction of the location site and access road.

A mineral material application is not required for this location.

7. **METHODS FOR HANDLING WASTE DISPOSAL**

A small reserve pit (90' x 40' x 8' deep, or less) will be constructed from native soil and clay materials. The reserve pit will receive the processed drill cutting (wet sand, shale & rock) removed from the wellbore. Any drilling fluids, which do accumulate in the pit as a result of shale-shaker carryover, cleaning of the sand trap, etc., will be promptly reclaimed. All drilling fluids will be fresh water based, typically containing Total Dissolved Solids of less than 3000 PPM. No potassium chloride, chromates, trash, debris, nor any other substance deemed hazardous

will be placed in this pit. Therefore, it is proposed that no synthetic liner be required in the reserve pit. However, if upon constructing the pit there is insufficient fine clay and silt present, a liner will be used for the purpose of reducing water loss through percolation.

Newfield requests approval that a flare pit not be constructed or utilized on this location.

A portable toilet will be provided for human waste.

A trash basket will be provided for garbage (trash) and hauled away to an approved disposal site at the completion of the drilling activities.

Water not meeting quality criteria will be disposed of at State of Utah approved surface disposal facilities.

8. **ANCILLARY FACILITIES:**

There are no ancillary facilities planned for at the present time and none foreseen in the near future.

9. **WELL SITE LAYOUT:**

See attached Location Layout Sheet.

Fencing Requirements

All pits will be fenced according to the following minimum standards:

a) A 39-inch net wire shall be used with at least one strand of barbed wire on top of the net.

b) The net wire shall be no more than two (2) inches above the ground. The barbed wire shall be three (3) inches above the net wire. Total height of the fence shall be at least forty-two (42) inches.

c) Corner posts shall be centered and/or braced in such a manner to keep tight at all times

d) Standard steel, wood or pipe posts shall be used between the corner braces. Maximum distance between any two posts shall be no greater than sixteen (16) feet.

e) All wire shall be stretched, by using a stretching device, before it is attached to the corner posts.

The reserve pit fencing will be on three (3) sides during drilling operations and on the fourth side when the rig moves off location. Pits will be fenced and maintained until cleanup.

10. **PLANS FOR RESTORATION OF SURFACE:**

a) **Producing Location**

Immediately upon well completion, the location and surrounding area will be cleared of all unused tubing, equipment, debris, material, trash and junk not required for production.

The reserve pit and that portion of the location not needed for production facilities/operations will be recontoured to the approximated natural contours. Weather permitting, the reserve pit will be reclaimed within one hundred twenty (120) days from

the date of well completion. Before any dirt work takes place, the reserve pit must have all fluids and hydrocarbons removed.

b) **Dry Hole Abandoned Location**

At such time as the well is plugged and abandoned, the operator shall submit a subsequent report of abandonment and the State of Utah will attach the appropriate surface rehabilitation conditions of approval.

11. **SURFACE OWNERSHIP:** State of Utah

12. **OTHER ADDITIONAL INFORMATION:**

a) Newfield Production Company is responsible for informing all persons in the area who are associated with this project that they will be subject to prosecution for knowingly disturbing historic or archaeological sites, or for collecting artifacts. If historic or archaeological materials are uncovered during construction, Newfield is to immediately stop work that might further disturb such materials and contact the Authorized Officer.

b) Newfield Production will control noxious weeds along rights-of-way for roads, pipelines, well sites or other applicable facilities. On State administered land it is required that a Pesticide Use Proposal shall be submitted and given approval prior to the application of herbicides or other possible hazardous chemicals.

c) Drilling rigs and/or equipment used during drilling operations on this well site will not be stacked or stored on State Lands after the conclusion of drilling operations or at any other time without State authorization. However, if State authorization is obtained, it is only a temporary measure to allow time to make arrangements for permanent storage on commercial facilities.

The Archaeological Cultural Resource Survey is attached.

Additional Surface Stipulations

All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws and regulations, Onshore Oil and Gas Orders, the approved plan of operations and any applicable Notice to Lessees. A copy of these conditions will be furnished to the field representative to ensure compliance.

Hazardous Material Declaration

Newfield Production Company guarantees that during the drilling and completion of the Horseshoe Bend State 4-28-6-21, Newfield will not use, produce, store, transport or dispose 10,000# annually of any of the hazardous chemicals contained in the Environmental Protection Agency's consolidated list of chemicals subject to reporting under Title III Superfund Amendments and Reauthorization Act (SARA) of 1986. Newfield also guarantees that during the drilling and completion of the Horseshoe Bend State 4-28-6-21Newfield will use, produce, store, transport or dispose less than the threshold planning quantity (T.P.Q.) of any extremely hazardous substances as defined in 40 CFR 355.

A complete copy of the approved APD, if applicable, shall be on location during the construction of the location and drilling activities.

Newfield Production Company or a contractor employed by Newfield Production shall contact the State office at (801) 722-3417, 48 hours prior to construction activities.

The State office shall be notified upon site completion prior to moving on the drilling rig.

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13. **LESSEE'S OR OPERATOR'S REPRENSENTATIVE AND CERTIFICATION:**

Representative

Name: Shon McKinnon
Address: Newfield Production Company
Route 3, Box 3630
Myton, UT 84052
Telephone: (435) 646-3721

Certification

Please be advised that Newfield Production Company is considered to be the operator of well #4-28-6-21, Lot #2 Section 28, T6S, R21E, LEASE #ML-49756, Uintah County, Utah and is responsible under the terms and conditions of the lease for the operations conducted upon the leased lands. Bond coverage is provided by Hartford Accident #4471291.

I hereby certify that the proposed drill site and access route have been inspected, and I am familiar with the conditions which currently exist; that the statements made in this plan are true and correct to the best of my knowledge; and that the work associated with the operations proposed here will be performed by Newfield Production Company and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of the 18 U.S.C. 1001 for the filing of a false statement.

7/13/06
Date

Mandie Crozier
Regulatory Specialist
Newfield Production Company

CULTURAL RESOURCE INVENTORY OF NEWFIELD EXPLORATION'S PROPOSED WELL LOCATIONS #4-28-6-21 AND #9-2-7-21 UINTAH COUNTY, UTAH

Patricia Stavish

CULTURAL RESOURCE INVENTORY OF NEWFIELD EXPLORATION'S PROPOSED WELL LOCATIONS #4-28-6-21 AND #9-2-7-21 UINTAH COUNTY, UTAH

By:

Patricia Stavish

Prepared For:

State of Utah
School and Institutional
Trust Lands Administration

Prepared Under Contract With:

Newfield Exploration Company
Rt. 3 Box 3630
Myton, UT 84052

Prepared By:

Montgomery Archaeological Consultants, Inc.
P.O. Box 147
Moab, Utah 84532

MOAC Report No. 06-170

May 3, 2006

United States Department of Interior (FLPMA)
Permit No. 06-UT-60122

State of Utah Antiquities Project (Survey)
Permit No. U-06-MQ-0601p,s

ABSTRACT

In April 2006 Montgomery Archaeological Consultants, Inc. (MOAC) inventoried Newfield Exploration's two proposed well locations designated 4-28-6-21 and 9-2-7-21. The project area is situated immediately south of the Green River near the Horseshoe Bend Oil Field, south of the town of Vernal, Uintah County, Utah. The survey was implemented at the request of Ms. Mandie Crozier, Newfield Exploration, Myton, Utah. The project area occurs on property of the State of Utah School and Institutional Trust Lands Administration (SITLA) and private land.

The inventory resulted in the documentation of one new archaeological site. 42Un5252 is a historic trash scatter consisting of common artifact types, primarily tin cans. The site lacks integrity and meaningful spatial patterning, and it possesses very minimal potential for buried artifacts. The feature fails to embody distinctive characteristics of a type, period, or method of construction. The site is not associated with known persons or significant historic events. Therefore this site is not likely to yield new data regarding the history of the area and is not eligible for nomination to the NRHP under Criteria A, B, C, or D.

The inventory of Newfield Exploration's two proposed well locations #4-28-6-21 and #9-2-7-21 resulted in the documentation of one historic archaeological site, 42Un5252. Site 42Un5252 is recommended as not eligible to the NRHP. Based on these findings, a determination of "no historic properties affected" is recommended for the undertaking pursuant to Section 106, CFR 800.

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INTRODUCTION

In April 2006 Montgomery Archaeological Consultants, Inc. (MOAC) inventoried Newfield Exploration's two proposed 40 acre parcels for well locations 4-28-6-21 and 9-2-7-21. The project area is situated immediately south of the Green River near the Horseshoe Bend Oil Field, south of the town of Vernal, Uintah County, Utah. The survey was implemented at the request of Ms. Mandie Crozier, Newfield Exploration, Myton, Utah. The project area occurs on state lands administered by the School and Institutional Trust Lands Administration (SITLA) and private land.

The objectives of the inventory were to locate, document, and evaluate any cultural resources within the project area in accordance with Section 106 of 36 CFR 800, the National Historic Preservation Act of 1966 (as amended). Also, the inventory was implemented to attain compliance with a number of federal and state mandates, including the National Historic Preservation Act (NHPA) of 1969 (as amended), the Archaeological and Historic Conservation Act of 1974, the Archaeological Resources Protection Act of 1979, and the American Indian Religious Freedom Act of 1978.

The fieldwork was performed on April 20, 2006 by Mark Bond (Field Supervisor) and assisted by Chris Dixon under the auspices of U.S.D.I. (FLPMA) Permit No. 06-UT-60122 and State of Utah Antiquities Permit (Survey) No. U-06-MQ-0601p,s issued to MOAC.

A file search was performed on April 20, 2006 by Keith Montgomery at the Bureau of Land Management Vernal Field Office. This consultation indicated that several inventories for oil and gas development projects have been completed in the area; however, no archaeological sites were documented (Project Nos. U-89-AI-703 and U-00-BL-183).

DESCRIPTION OF PROJECT AREA

The project area occurs immediately south of the Green River near Horseshoe Bend Oil Field, south of the town of Vernal, Uintah County, Utah. The legal description is Township 6 South, Range 21 East Section 28 and Township 7 South, Range 21 East, Section 2 (Table 1 and Figure 1). A total of 85.6 acres were inventoried for cultural resources of which 40 acres occur on private land, and 45.6 acres occur on state lands administered by the School and Institutional Trust Lands Administration (SITLA).

Table 1. Newfield Exploration's Two Proposed Well Locations in 40 Acre Parcels.

Well Location Designation	Legal Location	Land Status	Pipeline/ Access	Cultural Resources
4-28-6-21	NW/NW Sec. 28 T6S, R21E NE/NW Sec. 28 T6S, R21E	Private	None	None
9-2-7-21	NE/SE Sec. 2 T7S, R21E SW/SE Sec. 2 T7S, R21E	State	1938 ft.	IF-A IF-B 42Un5252

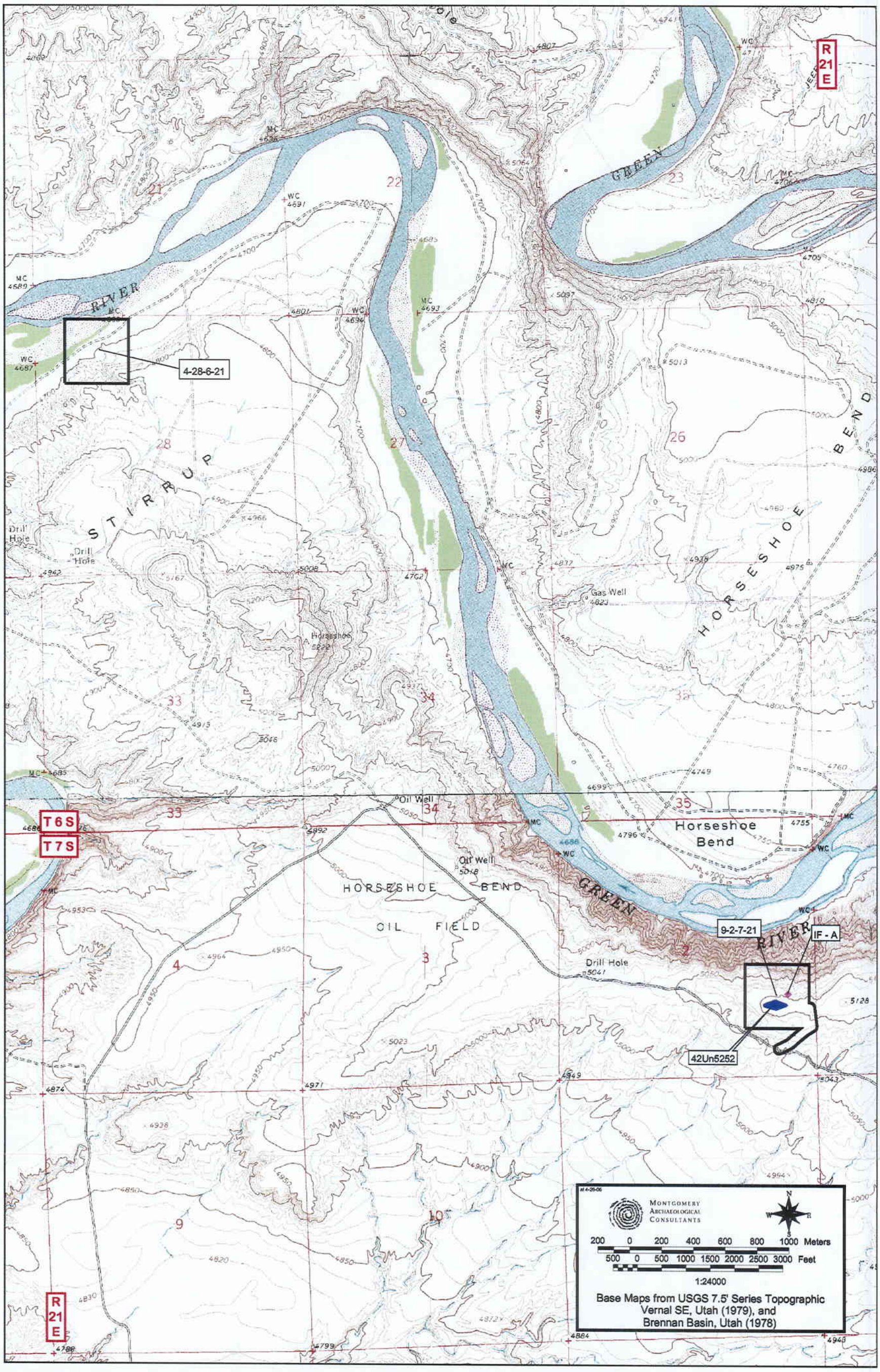

Figure 1. Newfield Exploration's Proposed Well Locations 4-28-6-21 and 9-2-7-21 with Associated Pipeline and Access Corridor in Uintah County, Utah.

Environment Setting

The study area lies within the Uinta Basin physiographic unit, a distinctly bowl-shaped geologic structure (Stokes 1986:231). The Uinta Basin ecosystem is within the Green River drainage, considered to be the northernmost extension of the Colorado Plateau. Topographically, this area consists of north-south trending interfluvial ridges dissected by extensive draws and canyons. The geology is comprised of Quaternary and Tertiary age deposits which include sedimentary rocks. The Duchesne River Formation is predominate in the project area, and contains claystone, sandstone, and carbonate beds. The soil in the area consists of sand and silt. Elevations in the inventory area range between 4700 and 5100 feet a.s.l.. Vegetation is dominated by a saltbush and greasewood community intermixed with prickly pear cactus, sagebrush, rabbitbrush and grasses. The nearest permanent water source in the area is the Green River. Fauna which inhabit the area include deer, antelope, rabbits, badgers, ground squirrels, prairie dogs, and various other rodents and reptiles. Modern disturbances to the landscape include well locations, access roads, pipelines, and livestock grazing.

Cultural Overview

The cultural-chronological sequence represented in the area includes the Paleoindian, Archaic, Fremont, Protohistoric, and Euro-American stages. The earliest inhabitants of the region are representative of the Paleoindian stage (ca. 12,000-8,000 B.P.), characterized by the adaptation to terminal Pleistocene environments and by the exploitation of big game fauna. The presence of Paleoindian hunters in the Uinta Basin region is implied by the discovery of Clovis and Folsom fluted points (ca.12,000 B.P. - 10,000 B.P.), as well as the more recent Plano Complex lanceolate points (ca. 10,000 B.P. - 7,000 B.P.). Near the project area, a variety of Plano Complex Paleoindian projectile points have been documented, including Goshen, Alberta, and Midland styles (Hauck 1998). No sites with evidence of Folsom lithic technology have previously been documented near the project area. Spangler (1995:332) reports that there are no sealed cultural deposits in association with extinct fauna or with chronologically distinct Paleoindian artifacts in Utah. Specifically in the Uinta Basin, few Paleoindian sites have been adequately documented, and most evidence of Paleoindian exploitation of the area is restricted to isolated projectile points recovered in nonstratigraphic contexts. Copeland and Fike (1998:21) argue that many areas in Utah are conducive to the herding behavior of megafauna, and that there is a high probability that many of the sites in Utah of unknown age are Paleoindian.

The Archaic stage (ca. 8,000 B.P.-1,500 B.P.) is characterized by the dependence on a foraging subsistence, with peoples seasonally exploiting a wide spectrum of plant and animal species in different ecozones. The shift to an Archaic lifeway was marked by the appearance of new projectile point types, and the development of the atlatl, perhaps in response to a need to pursue smaller and faster game (Holmer 1986). In the Uinta Basin, evidence of Early Archaic presence is relatively sparse compared to the subsequent Middle and Late Archaic periods. Early Archaic (ca. 6000-3000 B.C.) sites in the Basin include sand dune sites and rock shelters primarily clustered in the lower White River drainage (Spangler 1995:373). Early Archaic projectile points recovered from Uinta Basin contexts include Pinto Series, Humboldt, Elko Series, Northern Side-notched, Hawken Side-notched, Sudden Side-notched and Rocker Base Side-notched points. Excavated sites in the area with Early Archaic components include Deluge Shelter in Dinosaur National Monument, and open campsites along the Green River and on the Diamond Mountain Plateau (Spangler 1995:374). The Middle Archaic (ca. 3000-500 B.C.) is characterized by improved climatic conditions and an increase in human population on the northern Colorado Plateau. Several

stratified Middle Archaic sites have been excavated and dozens of sites have been documented in the Uinta Basin. Middle Archaic sites in the area reflect cultural influences from the Plains, although a Great Basin and/or northern Colorado Plateau influence is represented in the continuation of the Elko Series projectile points. Subsistence data from Middle Archaic components indicate gathering and processing of plants as well as faunal exploitation (e.g., mule deer, antelope, bighorn sheep, cottontail rabbit, muskrat, prairie dog, beaver and birds). The Late Archaic period (ca. 500 B.C.-A.D. 550) in the Uinta Basin is distinguished by the continuation of Elko Series projectile points with the addition of semi-subterranean residential structures at base camps. By about A.D. 100, maize horticulture and Rose Springs arrow points had been added to the Archaic lifeway. In the Uinta Basin, the earliest evidence of Late Archaic architecture occurs at the Cockleburr Wash Site (42Un1476) where a temporary structure, probably a brush shelter, yielded a date of 316 B.C. (Tucker 1986). The structure was probably associated with seasonal procurement of wild floral resources gathered along Cliff Creek.

The Formative stage (A.D. 500-1300) is recognized in the area as the Uinta Fremont as first defined by Marwitt (1970). This stage is characterized by a reliance upon domesticated corn and squash, increasing sedentism, and in its later periods, substantial habitation structures, pottery, and bow and arrow weapon technology. Based on the evidence from Caldwell Village, Boundary Village, Deluge Shelter, Mantles Cave and others, the temporal range of the Uinta Fremont appears to be from A.D. 650 to 950. This variant is characterized by shallow, saucer-shaped pithouse structures with randomly placed postholes and off-center firepits, some of which were adobe-rimmed. Traits considered unique or predominate to the Uinta Basin include calcite-tempered pottery, two-handled wide-mouth vessels, Utah type metates, the use of gilsonite for pottery repair, settlement on tops of buttes and large-shouldered bifaces (Shields 1970).

Archaeological evidence suggests that Numic peoples appeared in east-central Utah at approximately A.D. 1100 or shortly before the disappearance of Formative-stage peoples (Reed 1994). The archaeological remains of Numic-speaking Utes consist primarily of lithic scatters with low quantities of brown ware ceramics, rock art, and occasional wickiups. The brown ware ceramics appear to be the most reliable indicator of cultural affiliation, as Desert Side-notched and Cottonwood Triangular points were manufactured by other cultural groups beside the Ute (Horn, Reed, and Chandler 1994:130). The Ute appear to have been hunters and gatherers who exploited various fauna and flora resources. According to macrobotanical and faunal data from dated components, deer, elk, pronghorn, bison, and small game were acquired (Reed 1994:191). Plant materials thought to have been exploited for food include goosefoot, grass seeds, pinyon nuts, juniper berries, squawbush berries and leaves, hackberry seeds and possibly saltbush seeds, knotweed, chokecherry, and chickweed (Reed 1994:191).

On May 5, 1864 Congress passed a law confirming the 1861 executive order setting up the Uintah Reservation (Burton 1996:24). This treaty provided that the Ute people give up their land in central Utah and move within one year to the Uintah Reservation without compensation for loss of land and independence. The Uinta-ats (later called Tavaputs), PahVant, Tumpanawach, and some Cumumba and Sheberetch of Utah were gathered together at the Uintah agency during the late 1860s and early 1870s to form the Uintah Band (Burton 1996:18-19). In the 1880 treaty council the White River Utes, who had participated in the Meeker Massacre, were forced to sell all their land in Colorado and were moved under armed escort to live on the Uintah Reservation (Callaway, Janetski, and Stewart 1986:339). Shortly thereafter, 361 Uncompahgre Utes were forced to sell their lands, and were relocated to the Ouray Reservation adjacent to the southern boundary of the Uintah Reservation. This area embraced a tract of land to the east and south of the Uintah

Reservation below Ouray lying east of the Green River. A separate Indian Agency was established in 1881 with headquarters at Ouray which was located across the river from where the first military post, Fort Thornburgh was located. The Department of War established Fort Thornburgh along the Green River in 1881 to maintain peace between the settlers of Ashley Valley. The infantry who participated in the relocation of the Colorado Indians ensured that the Uncompahgre and White River Utes remained on the two reservations (Burton 1996:28). In the late 1880s, gilsonite was discovered in the Uintah Basin, and Congress was persuaded to apportion 7,040 acres from the reservation so the mineral could be mined.

The earliest recorded visit by Europeans to Utah was the Dominguez-Escalante expedition, of 1776. From the early 1820s to 1845, the Uinta Basin became an important part of the expanding western fur trade. Homesteading began in 1878 with Thomas Smart, one of the first white settlers to settle east of Ouray. In 1879, about forty cowboys and several large herds of cattle wintered on the White River. The winter of 1879-1880 saw the establishment of a settlement near the White River by several pioneers and their families including Ephraim Ellsworth, the Remingtons, and the Campbells. The person most responsible for organizing a permanent homesteading movement in Ouray Valley was William H. Smart, the brother of Thomas Smart, who became president of the Wasatch LDS Stake in 1901 (Burton 1998). When the Ute reservation was opened to white homesteaders in 1905, Smart organized several exploration trips into the area that later attracted many LDS families.

Initially, livestock was the main industry of white homesteaders in Uintah County. Two factors - free grass and the availability of water - influenced men to move their cattle into the county. Most of the land in the area was part of the public domain and no territory or state could tax it. Cattle were eventually brought up east as far as the Green River and then to the surrounding mountains. Large cattle herds had been coming to Brown's Park from Texas and other eastern areas since the early 1850s. The K Ranch was a large cattle operation owned by P.R. Keiser which brought many cowboys to the area. The ranch was located on the Utah-Colorado line with property in both states. Charley Hill, who came to Ashley Valley as a trapper for the Hudson Bay Company, started a cattle company on Hill Creek and Willow Creek in the Book Cliffs (Burton 1996:109). They later moved out when the government set this section aside for the Ouray Indian Agency. Other prominent men in the cattle industry included A.C. Hatch, Dan Mosby, and James McKee. Cattle rustling became an increasingly large problem as cattle herds grew, and conflict resulted between the small and large cattle companies. In 1912, the Uintah Cattle and Horse Growers Association was organized to protect the livestock industry from thieves and to issue an authorized brand book (Ibid: 110).

The sheep industry later became part of Uintah County's economic backbone, and contributed to the decline of the cattle industry. Sheep were first introduced to the valley during the winter of 1879 when Robert Bodily brought in sixty head (Burton 1996:111). Sheep were able to survive the hard winters much better than cattle. By the mid-1890s, more than 50,000 head of sheep were in the region; and the production of wool became very important. In 1897, C.S. Carter began building shearing corrals. In 1899, 500,000 pounds of wool were shipped from the county and sold for twelve and one-half cents per pound (Ibid:111). In 1906, the Uintah Railway Company built shearing pens on the Green River to encourage the shipping of wool by train; and in 1912, pens were built at Bonanza and Dragon. Beginning in the 1940's Mexican sheep-shearing crews and Greek sheepmen from the Price and Helper areas came into the area. The Taylor Grazing Act was passed in 1934, allotting specific areas or "districts" to stockmen for livestock grazing that required permits. This act was a forerunner of the Bureau of Land Management, which was

established in 1946 and eventually assumed responsibility for the administration of grazing laws on public land (Burton 1996:115).

Uintah County is also known for its natural resources. Coal, copper, iron, asphalt, shale, and especially gilsonite, were important to the mining industry. When gilsonite was discovered in the Uinta Basin in the 1880s, Congress was persuaded to apportion 7,040 acres from the Ute reservation so the mineral could be mined. This area became known as "The Strip" and later developed into the townsite of Moffat (later renamed Gusher). Gilsonite is a light-weight lustrous black hydrocarbon mineral that can easily be crushed into a black-brown powder. It can be found in commercial quantities only in the Uinta Basin. The earliest use of the mineral was in buggy paints and beer-vat linings. Today it is used in over a hundred products ranging from printing inks to explosives and automobile body sealer and radiator paint (Burton 1998:343). Mining camps also sprang up near the Colorado line in Bonanza, Dragon, and Watson starting in about 1903. Many immigrants, including Greeks and Chinese, worked in the mines. Bonanza became one of the largest and most modern functioning mining camps in the area beginning in 1921 and reached its peak in 1937. It was chosen as the Barber gilsonite company headquarters, because it was near the largest deposits of gilsonite in the area. Miners from Dragon, Rainbow, and other neighboring communities were relocated to Bonanza.

SURVEY METHODOLOGY

An intensive pedestrian survey was performed for this project which is considered 100% coverage. At each of the proposed well locations, a 40 acre paracel was surveyed by the archaeologist walking parallel transects spaced no more than 10 m (30 ft) apart. The access corridor was 200 feet wide, surveyed by the same techniques as described above. Ground visibility was considered to be good. A total of 85.6 acres were inventoried for cultural resources of which 40 acres occur on private land, and 45.6 acres occur on state lands administered by the School and Institutional Trust Lands Administration (SITLA).

INVENTORY RESULTS

The inventory of Newfield Exploration's two proposed well locations with access roads resulted in the documentation of one new archaeological site, 42Un5252.

Archaeological Site

Smithsonian Site No.: 42Un5252
Temporary Site No.: 06-170-1
Site Type: Trash Scatter
Land Status: State
NRHP Eligibility: Not Eligible

Description: This is a historic trash scatter located on the crest of a low ridge of a tableland overlooking the Green River with Horseshoe Bend to the north. The site measures approximately 155 x 67 meters and is situated in a sagebrush community. The artifacts located at the site consist of glass, various tin cans, metal cable, a rifle cartridge, and bailing wire. The glass artifacts consist of two fragments of clear automatic machine made glass. The tin cans (n=61) are located in two distinct clusters within a low density, non-patterned scatter of cans. Cluster 1 and the surrounding low density scatter consists of 50 tin cans, while Cluster 2 is a discreet area located on the west side of the site and consists of 11 tin cans. The entire assemblage of tin cans at the site consists of various sizes of hole-in-cap cans (ranging in dates between 1908 to 1914), hole-in-top milk cans (dating between 1915 to 1975), tobacco tins, and sanitary food cans. Also located at the site are two ½" thick steel woven cables, a rifle cartridge marked "NRA 30", and a short length of bailing wire. Feature A is a woodpile consisting of approximately 12 pieces of wood. The pieces average approximately 10 cm in width and almost 4 meters in length. The wood pile measures approximately 1.5 x 4 meters. No hearth or other features were observed at the site.

Isolated Finds of Artifacts

Isolated Find A is located in the SE/NE/SE of Section 2, Township 7 South, Range 21 East (UTM Zone 12 626323East 4455074North). This is a locus of one Desert side-notched projectile point, one biface fragment, and four flakes of lithic debitage. The Desert side-notched projectile point is made of a white/pink translucent chert and measures approximately 1.9 x 1.4 x 0.4 cm. The biface fragment is made of dark brown opaque chert and measures approximately 5.6 x 2.2 x 0.7 cm. The lithic debitage consists of two white/pink mottled chert secondary flakes, one white chert tertiary flake, and one white translucent chert secondary flake.

NATIONAL REGISTER OF HISTORIC PLACES EVALUATION

The National Register Criteria for Evaluation of Significance and procedures for nominating cultural resources to the National Register of Historic Places (NRHP) are outlined in 36 CFR 60.4 as follows:

> The quality of significance in American history, architecture, archaeology, and culture is present in districts, sites, buildings, structures, and objects of State and local importance that possess integrity of location, design, setting, material, workmanship, feeling, and association, and that they:
>
> a)...are associated with events that have made a significant contribution to the broad patterns of our history; or
>
> b)...are associated with the lives of persons significant to our past; or
>
> c)...embody the distinctive characteristics of a type, period, or method of construction; or that represents the work of a master, or that possess high artistic values, or that represent a significant and distinguishable entity whose components may lack individual distinction; or
>
> d)...have yielded or may be likely to yield information important in prehistory or history.

The inventory of Newfield Exploration's proposed two well locations resulted in the documentation of one new archaeological site. 42Un5252 is a historic trash scatter consisting of common artifact types, primarily tin cans. The site lacks integrity and meaningful spatial patterning, and it possesses very minimal potential for buried artifacts. The feature fails to embody distinctive characteristics of a type, period, or method of construction. The site is not associated with known persons or significant historic events. Therefore this site is not likely to yield new data regarding the history of the area and is not eligible for nomination to the NRHP under Criteria A, B, C, or D.

MANAGEMENT RECOMMENDATIONS

The inventory of Newfield Exploration's two proposed well locations #4-28-6-21 and #9-2-7-21 resulted in the documentation of one historic archaeological site, 42Un5252. Site 42Un5252 is recommended as not eligible to the NRHP. Based on these findings, a determination of "no historic properties affected" is recommended for the undertaking pursuant to Section 106, CFR 800.

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APPENDIX A:

INTERMOUNTAIN ANTIQUITY COMPUTER SYSTEM (IMACS)
SITE INVENTORY FORMS
(42Un5252)

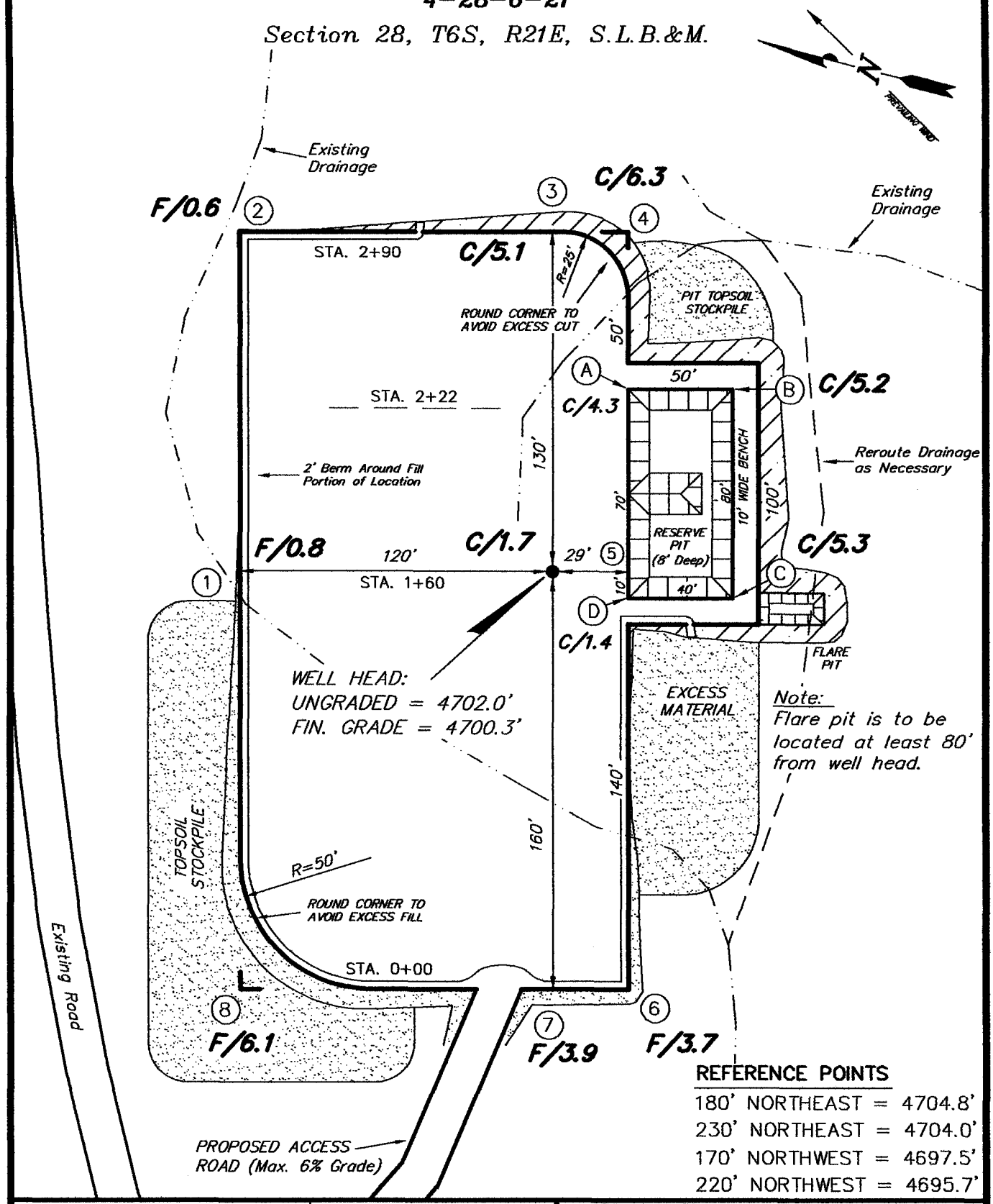
On File At:

Division of State History
Salt Lake City, UT

NEWFIELD PRODUCTION COMPANY

4-28-6-21

Section 28, T6S, R21E, S.L.B.&M.



REFERENCE POINTS

180' NORTHEAST = 4704.8'
230' NORTHEAST = 4704.0'
170' NORTHWEST = 4697.5'
220' NORTHWEST = 4695.7'

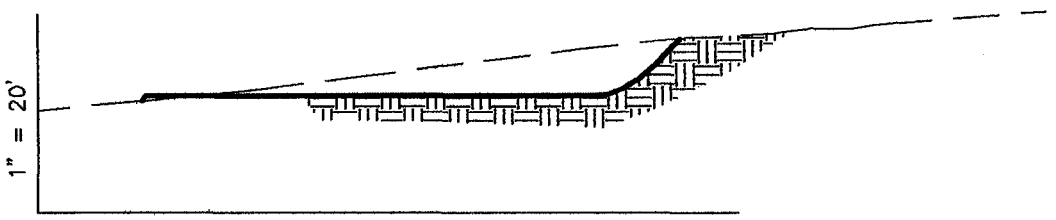
SURVEYED BY:	D.P.	SCALE:	1" = 50'
DRAWN BY:	F.T.M.	DATE:	07-11-06

Tri State Land Surveying, Inc. (435) 781-2501
180 NORTH VERNAL AVE. VERNAL, UTAH 84078

NEWFIELD PRODUCTION COMPANY

CROSS SECTIONS

4-28-6-21



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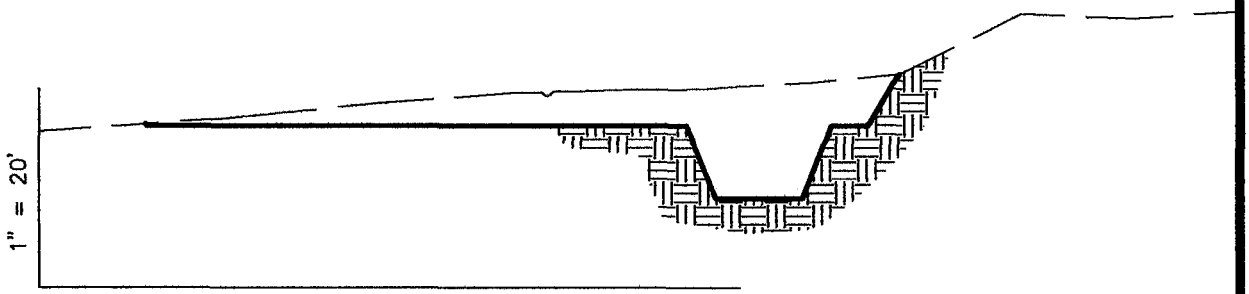

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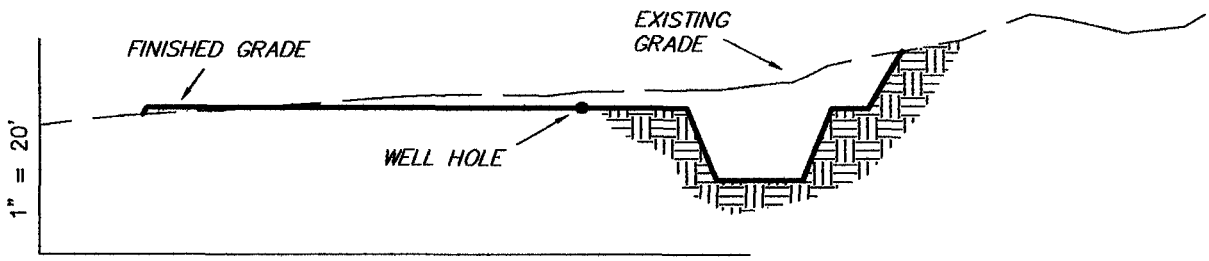

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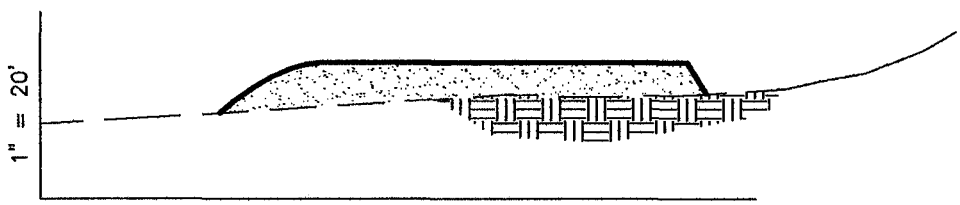


STA. 0+00

NOTE:
UNLESS OTHERWISE NOTED
ALL CUT/FILL SLOPES ARE
AT 1.5:1

ESTIMATED EARTHWORK QUANTITIES
(No Shrink or swell adjustments have been used)
(Expressed in Cubic Yards)

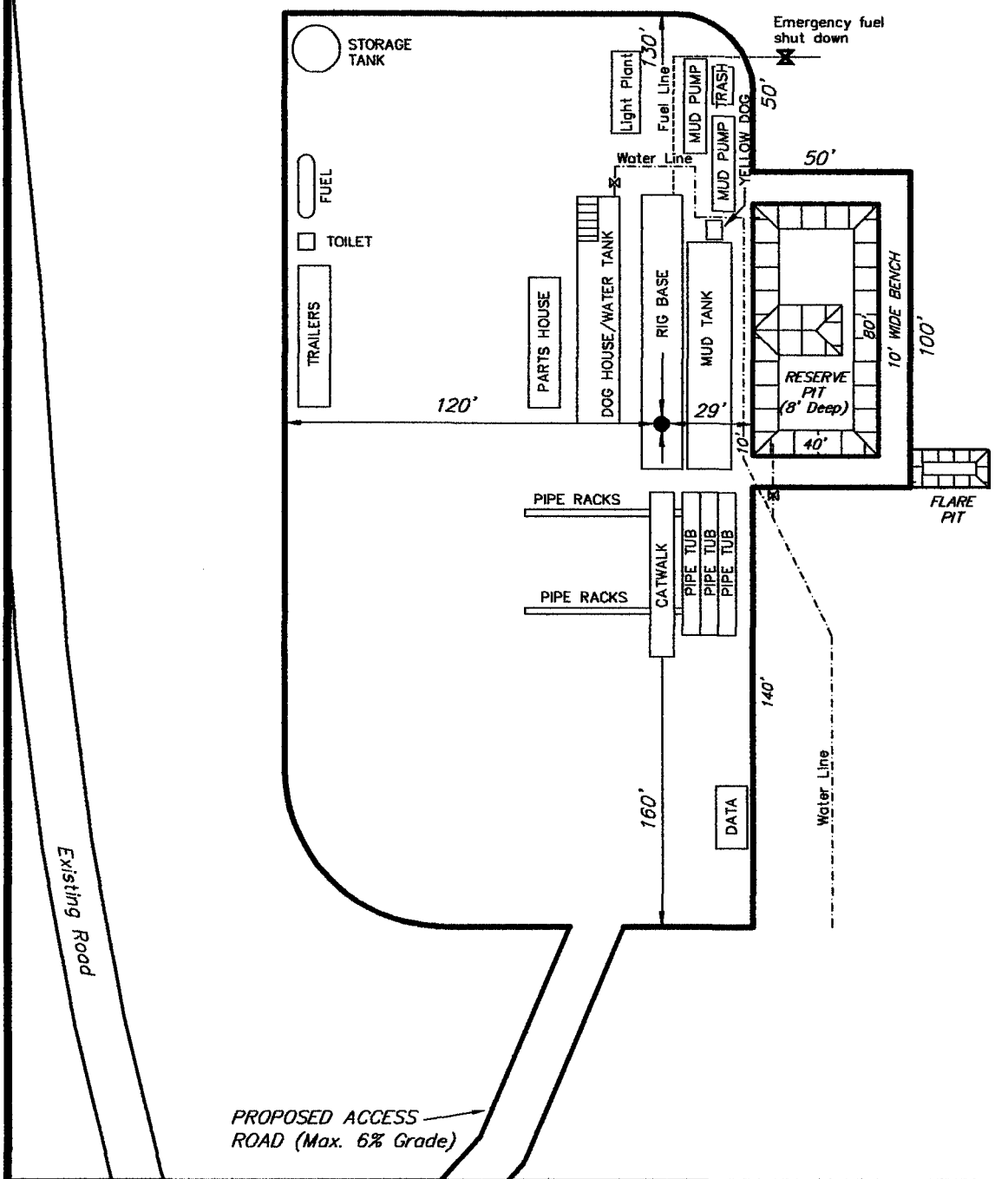
ITEM	CUT	FILL	6" TOPSOIL	EXCESS
PAD	2,190	2,190	Topsoil is not included in Pad Cut	0
PIT	640	0		640
TOTALS	2,830	2,190	970	640

SURVEYED BY: D.P.	SCALE: 1" = 50'	Tri State Land Surveying, Inc.	(435) 781-2501
DRAWN BY: F.T.M.	DATE: 03-28-06	180 NORTH VERNAL AVE. VERNAL, UTAH 84078	

NEWFIELD PRODUCTION COMPANY

TYPICAL RIG LAYOUT

4-28-6-21



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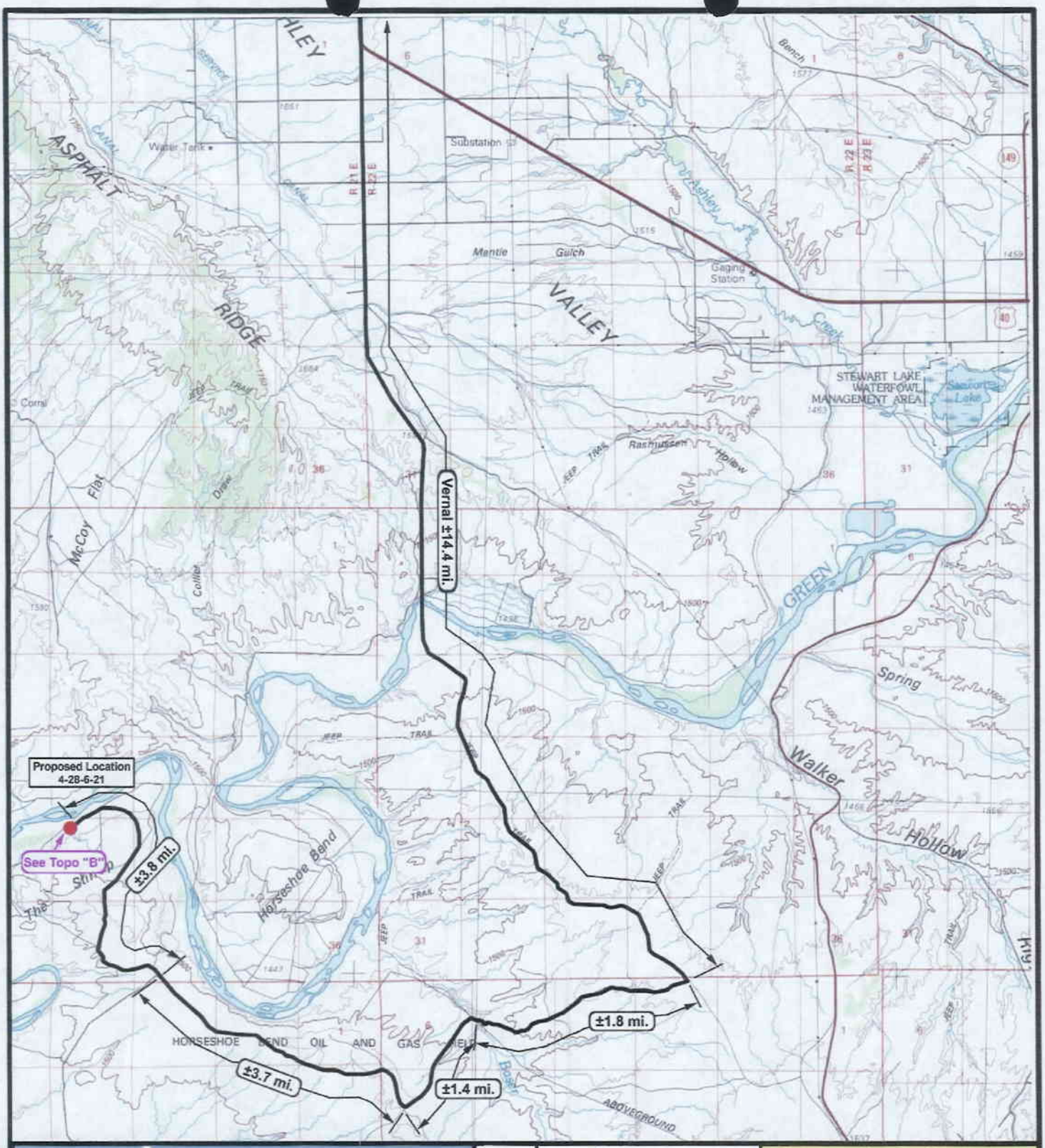
DRAWN BY:	F.T.M.	DATE:	07-11-06

Tri State Land Surveying, Inc.
(435) 781-2501
180 NORTH VERNAL AVE. VERNAL, UTAH 84078



NEWFIELD
Exploration Company

4-28-6-21
SEC. 28, T6S, R21E, S.L.B.&M.

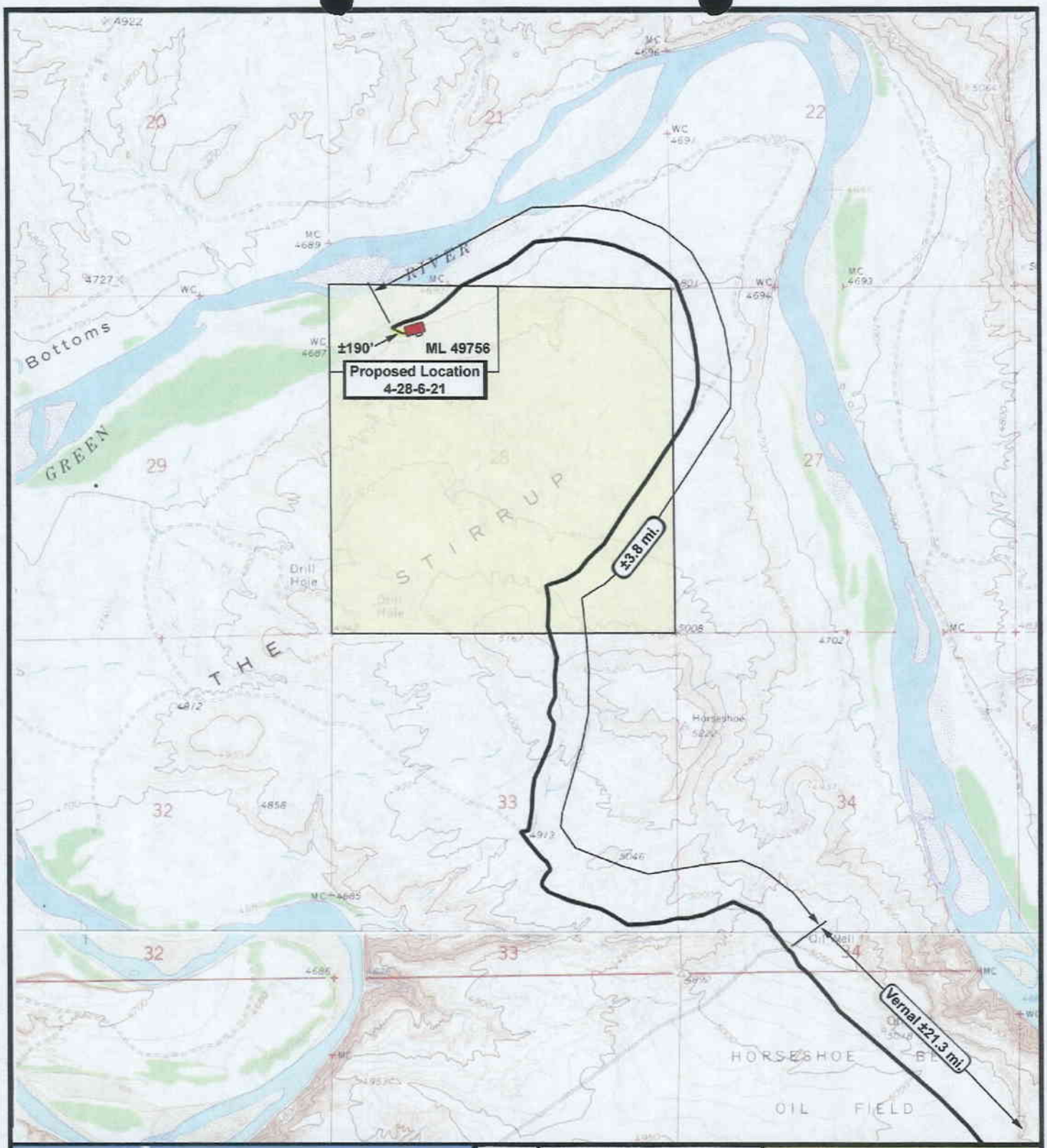
N

Tri-State Land Surveying Inc.
(435) 781-2501
180 North Vernal Ave. Vernal, Utah 84078

SCALE: 1 = 100,000
DRAWN BY: mw
DATE: 03-14-2006

Legend
Existing Road
Proposed Access

TOPOGRAPHIC MAP
"A"



NEWFIELD
Exploration Company

4-28-6-21
SEC. 28, T6S, R21E, S.L.B.&M.

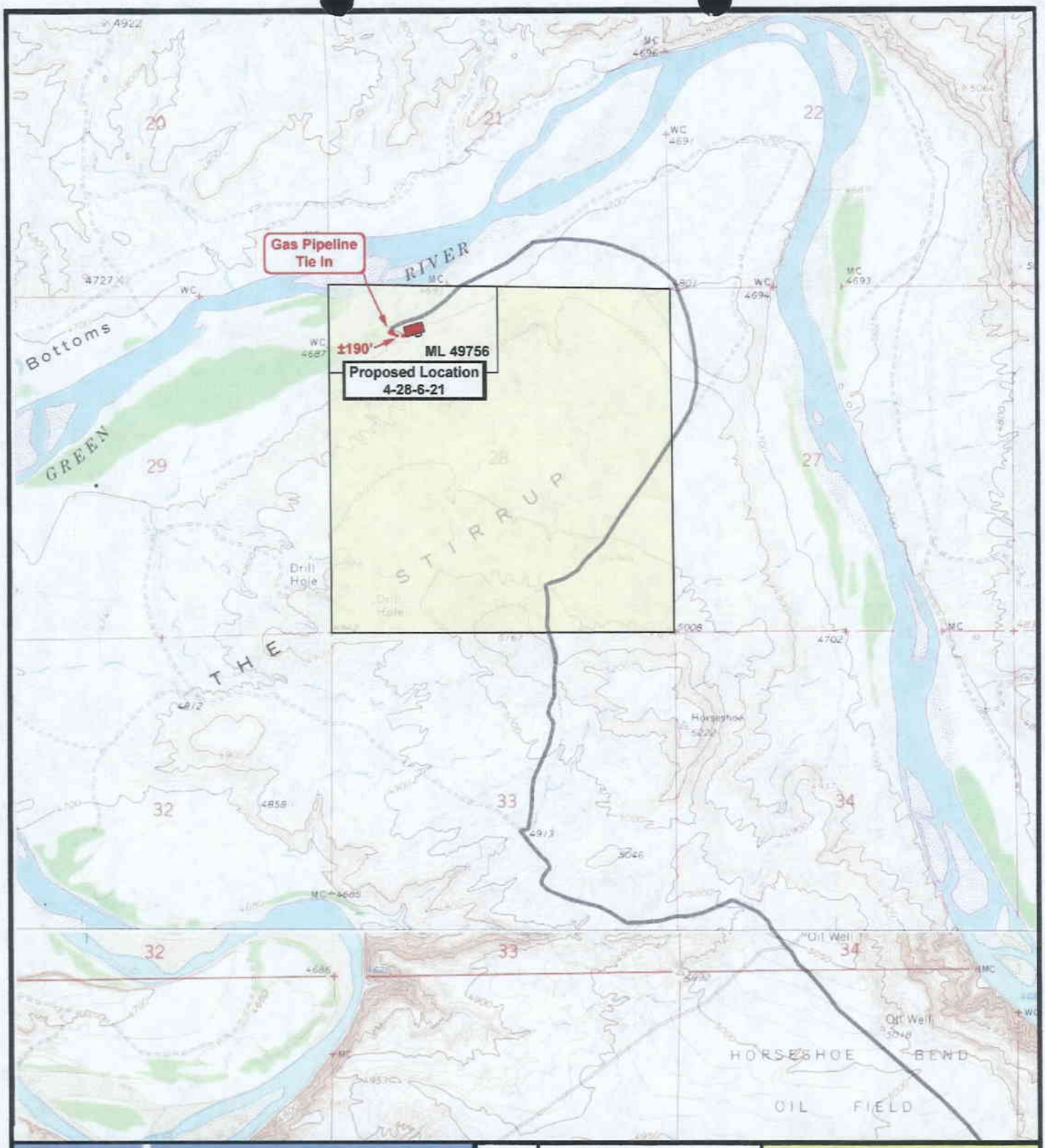
N

Tri-State Land Surveying Inc.
(435) 781-2501
180 North Vernal Ave. Vernal, Utah 84078

SCALE: 1" = 2,000'
DRAWN BY: mw
DATE: 07-13-2006

Legend
Existing Road
Proposed Access

TOPOGRAPHIC MAP
"B"



NEWFIELD
Exploration Company

4-28-6-21
SEC. 28, T6S, R21E, S.L.B.&M.

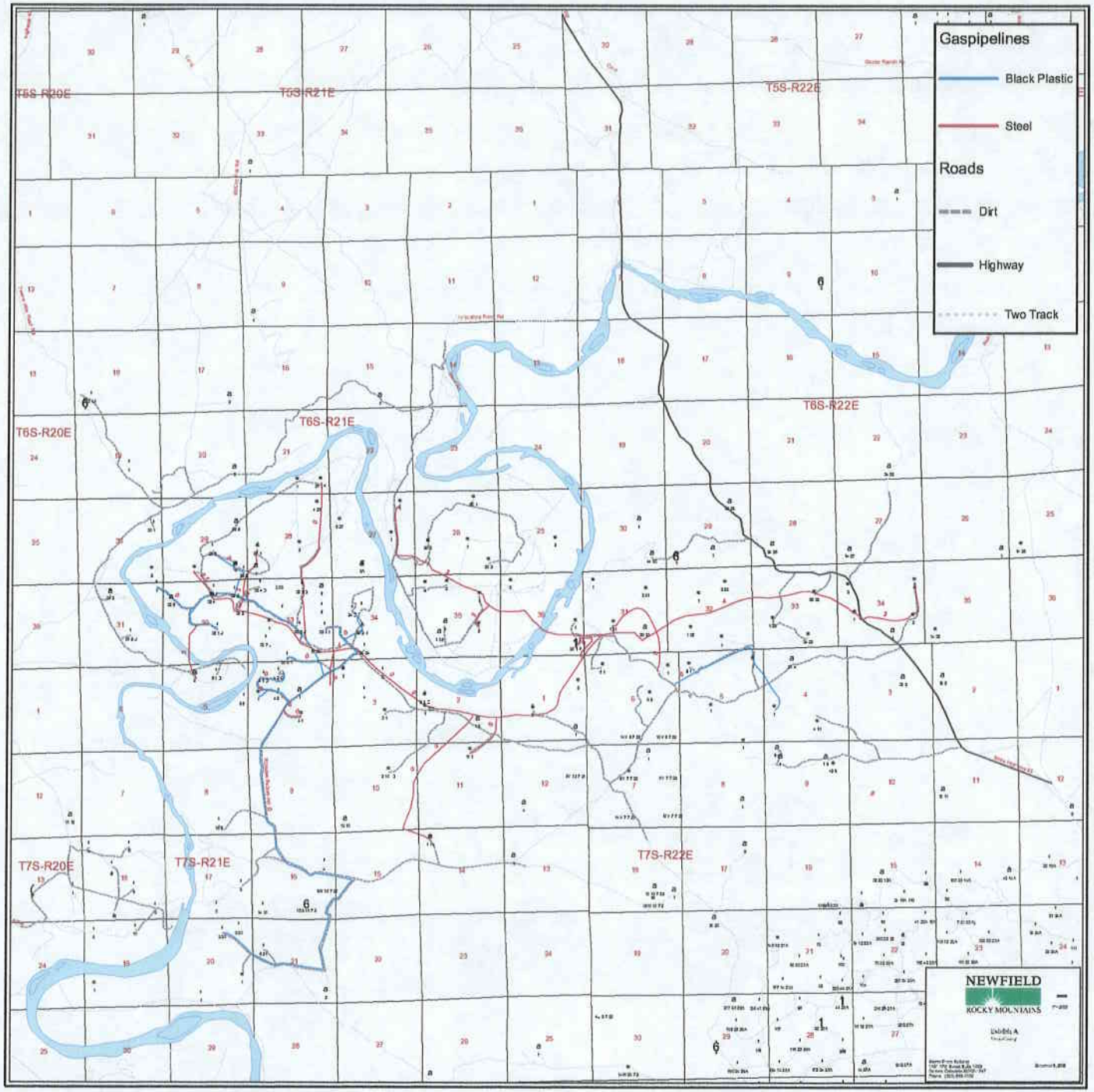
N

Tri-State Land Surveying Inc.
(435) 781-2501
180 North Vernal Ave. Vernal, Utah 84078

SCALE: 1" = 2,000'
DRAWN BY: mw
DATE: 07-13-2006

Legend
Roads
Proposed Gas Line

TOPOGRAPHIC MAP
"C"


Gaspipelines
Black Plastic
Steel
Roads
Dirt
Highway
Two Track
T5S-R20E
T5S-R21E
T5S-R22E
T6S-R20E
T6S-R21E
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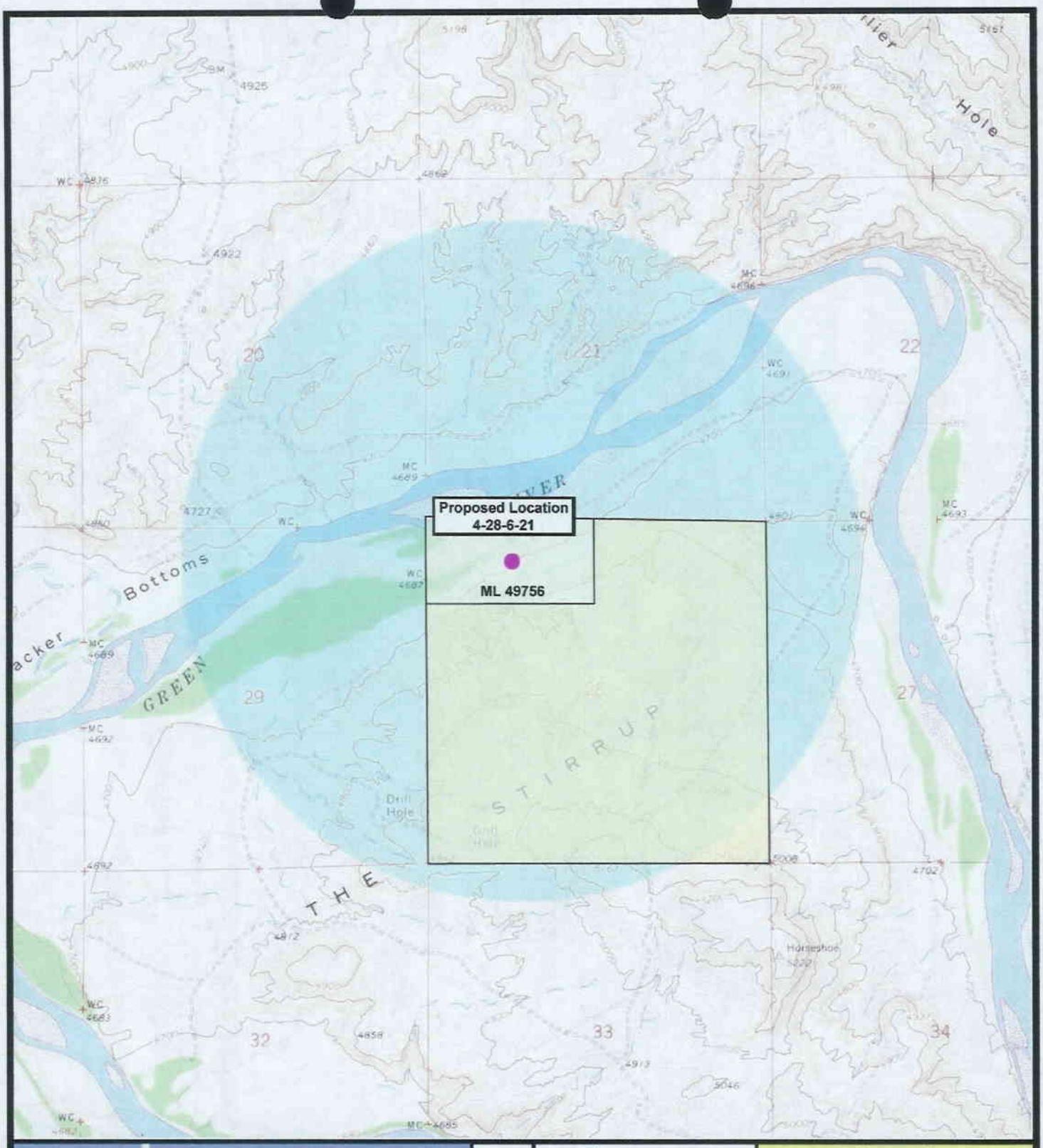
T7S-R20E
T7S-R21E
T7S-R22E
NEWFIELD
ROCKY MOUNTAINS



NEWFIELD
Exploration Company

4-28-6-21
SEC. 28, T6S, R21E, S.L.B.&M.

N

Tri-State Land Surveying Inc.
(435) 781-2501
180 North Vernal Ave. Vernal, Utah 84078

SCALE: 1" = 2,000'
DRAWN BY: mw
DATE: 07-13-2006

Legend

- Well Locations
- One-Mile Radius

Exhibit "B"

2-M SYSTEM

Blowout Prevention Equipment Systems

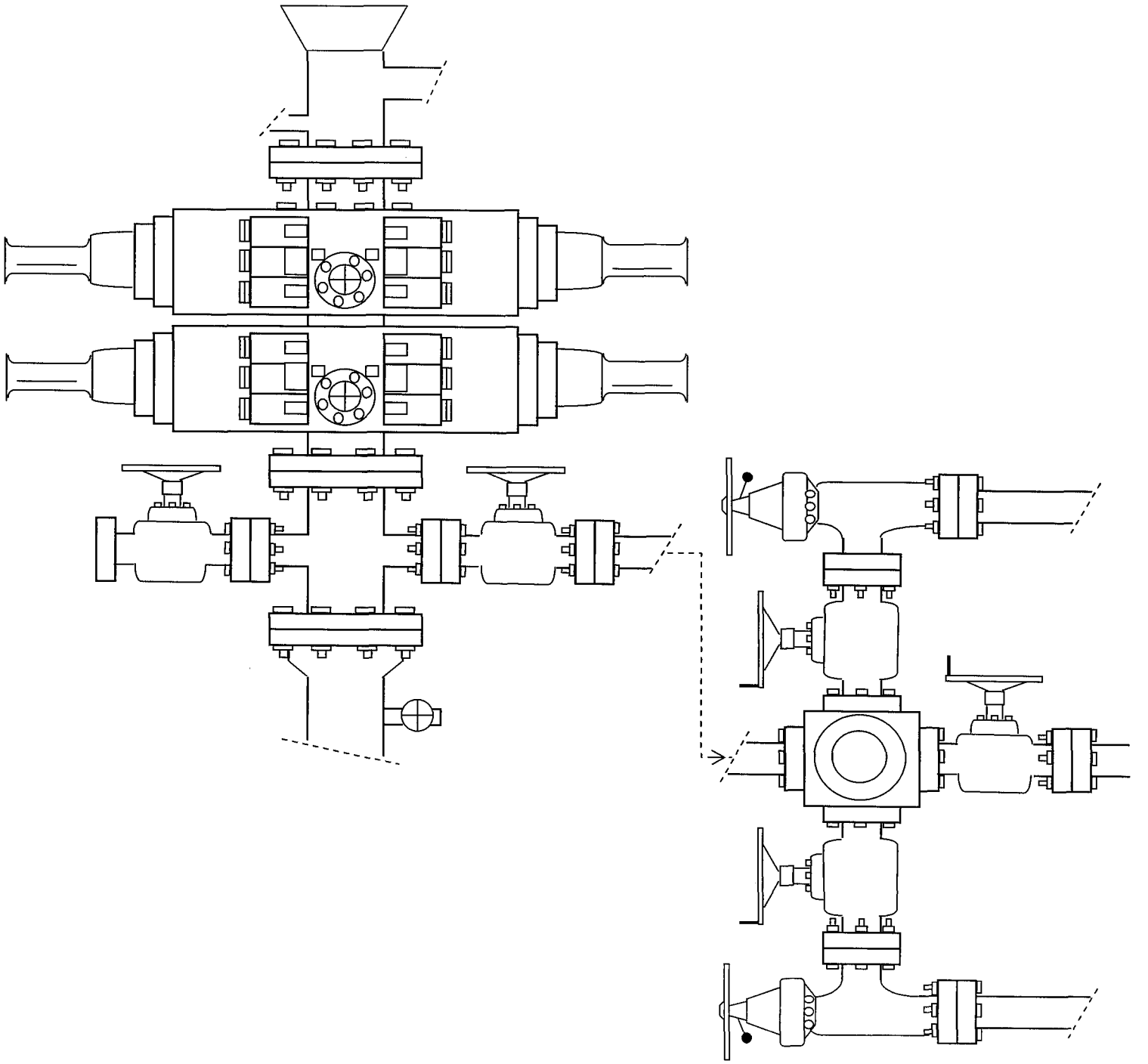


EXHIBIT C

Exhibit "E"
1 of 3

State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF WATER RIGHTS

Michael O. Leavitt
Governor
Kathleen Clarke
Executive Director
Robert L. Morgan
State Engineer

1594 West North Temple, Suite 220
PO Box 146300
Salt Lake City, Utah 84114-6300
801-538-7240
801-538-7467 (Fax)

August 11, 2000

Target Trucking 43-10988
Dan McKee or R.C. Hacking
3960 North 500 East
Vernal, UT 84078

Dear Applicant:

RE: APPROVED APPLICATION
NUMBER 43-10988 (F72511)

This is your authority to develop the water under the above referenced application which under Sections 73-3-10 and 73-3-12, Utah Code Annotated, 1953, as amended, must be diligently prosecuted to completion. The water must be put to beneficial use and proof of beneficial use be made to the State Engineer on or before August 31, 2003; otherwise, the application will be lapsed.

Proof of beneficial use is evidence to the State Engineer that the water has been placed to its full intended beneficial use. By law, it must be prepared by a registered engineer or land surveyor, who will certify to the location and the uses for the water. Your proof of beneficial use will become the basis for the extent of your water right.

Failure on your part to comply with the requirements of the statutes may result in forfeiture of this application. **It is the applicant's obligation to maintain a current address with this office. Please notify this office immediately of any change.**

Also enclosed are two post cards. You must give the Driller (Start) Card to the licensed driller with whom you contract to construct the well(s). The other card is the Applicant Card which is your responsibility to sign and return to this office immediately after final completion of the well. CAUTION: There may be local health department requirements for the actual siting of your well. Please check with the proper local authority before construction begins.

Your contact with this office, should you need it, is with the Vernal Regional Office. The telephone number is (435)781-5327.

Sincerely,

Robert L. Morgan

Robert L. Morgan, P.E.
State Engineer

RLM:et
Encl.: Memorandum Decision

Resolution No. 05-05-209
Uintah and Ouray Agency
Fort Duchesne, UT

WHEREAS, the Ute Tribal Business Committee, has the right to approve or veto any sale, disposition, lease or encumbrance of Tribal Lands, interest in Tribal lands or other Tribal assets, which may be authorized or execute by officials or Agency of the Government, provides that no Tribal lands shall ever be encumbered or sold, except leases for mining purposes or on irrigable land may be made for such longer periods as may be authorized by law;

WHEREAS, Energy producers Reservation wide have a need for industrial water to drill oil and gas wells; and

WHEREAS, AC/DC Fence and Roustabout Company proposes to pump water out and to build French drains, if needed, from Reservation wide to supply industrial water to the energy producers for the purpose of drilling oil and gas wells; and

WHEREAS, Energy producers within the boundaries of the U & O reservation; have a need for industrial water to drill oil and gas wells. Also, to build French drains, as needed; and

WHEREAS, AC/DC Fencing and Roustabout Company, proposes to pay the Ute Indian Tribe a reasonable market value of five (.5) cents for each barrel of water sold to energy producers through their company, and twenty-five (.25) cents to AC/DC for a total of thirty (.30) cents per barrel,

NOW, THEREFORE, BE IT RESOLVED BY THE TRIBAL BUSINESS COMMITTEE OF THE UTE INDIAN TRIBE OF THE UINTAH AND OURAY RESERVATION, UTAH, in order to promote independent business among tribal members, and to foster the economic welfare of tribal members and to develop if needed Group VI water rights of the Ute Indian Tribe, the Ute Indian Tribe hereby grants authority to AC/DC Fence and Roustabout Company to develop resources Reservation wide for the purpose of energy development.

BE IT FURTHER RESOLVED, that AC/DC Fence and Roustabout pay a reasonable market value for all water sold through their company for a period of two (2) year.

M. Maxine Natchees, Chairman

ABSENT
T. Smiley Arrowchis, Vice-Chairman

Frances Poowegup, Member

Ronald A. Groves, Member

Irene Cuch, Member

Richard Jenks Jr., Member

209

CERTIFICATION

I hereby certify that the foregoing Resolution was adopted by the Tribal Business Committee of the Ute Indian Tribe of the Uintah and Ouray Reservation, Utah, at a duly called meeting at Fort Duchesne, Utah, on the 13 day of July, 2005, at which time a quorum was present and voted 5 FOR, 0 AGAINST, 0 ABSTAINING, and 1 ABSENT.

Secretary of the Tribal Business Committee

WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 07/14/2006

API NO. ASSIGNED: 43-047-38366

WELL NAME: HORSESHOE BEND ST 4-28-6-21

OPERATOR: NEWFIELD PRODUCTION (N2695)

PHONE NUMBER: 435-646-3721

CONTACT: MANDIE CROZIER

PROPOSED LOCATION:

NWNW 28 060S 210E

SURFACE: 0705 FNL 1295 FWL

BOTTOM: 0705 FNL 1295 FWL

COUNTY: UINTAH

LATITUDE: 40.27496 LONGITUDE: -109.5650

UTM SURF EASTINGS: 622004 NORTHINGS: 4459053

FIELD NAME: HORSESHOE BEND (620)

INSPECT LOCATN BY: / /		
Tech Review	**Initials**	**Date**
Engineering	DKD	9/20/06
Geology		
Surface		

LEASE TYPE: 3 - State

LEASE NUMBER: ML-49756

SURFACE OWNER: 3 - State

PROPOSED FORMATION: GRRV

COALBED METHANE WELL? NO

RECEIVED AND/OR REVIEWED:

✓ Plat

✓ Bond: Fed[] Ind[] Sta[] Fee[]
(No. B001834)

N Potash (Y/N)

N Oil Shale 190-5 (B) or 190-3 or 190-13

✓ Water Permit
(No. 43-10988)

N RDCC Review (Y/N)
(Date:)

N/A Fee Surf Agreement (Y/N)

N/A Intent to Commingle (Y/N)

LOCATION AND SITING:

___ R649-2-3.

Unit: ___

___ R649-3-2. General
Siting: 460 From Qtr/Qtr & 920' Between Wells

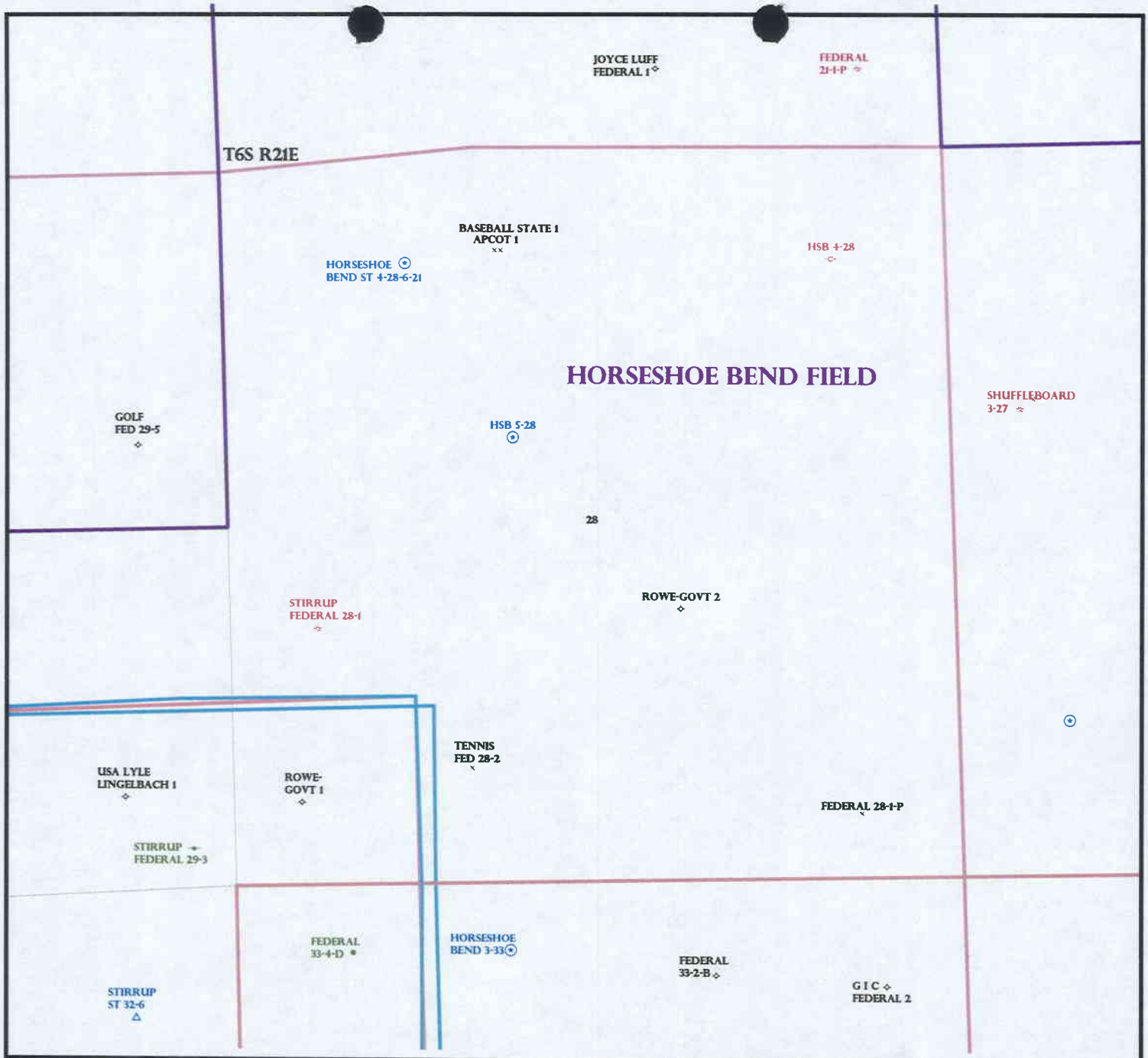
✓ R649-3-3. Exception

___ Drilling Unit
Board Cause No: ___
Eff Date: ___
Siting: ___

___ R649-3-11. Directional Drill

COMMENTS: Need Presite (08-15-06)

STIPULATIONS: 1-Spacing Slip
2- STATEMENT OF BASIS
3-Surface Csg Cmt Stip



OPERATOR: NEWFIELD PROD CO (N2695)

SEC: 28 **T.**6S **R.** 21E

FIELD: HORSESHOE BEND (620)

COUNTY: UINTAH

SPACING: R649-3-3 / EXCEPTION LOCATION

Field Status
- ABANDONED
- ACTIVE
- COMBINED
- INACTIVE
- PROPOSED
- STORAGE
- TERMINATED

Unit Status
- EXPLORATORY
- GAS STORAGE
- NF PP OIL
- NF SECONDARY
- PENDING
- PI OIL
- PP GAS
- PP GEOTHERML
- PP OIL
- SECONDARY
- TERMINATED

Wells Status
- GAS INJECTION
- GAS STORAGE
- LOCATION ABANDONED
- NEW LOCATION
- PLUGGED & ABANDONED
- PRODUCING GAS
- PRODUCING OIL
- SHUT-IN GAS
- SHUT-IN OIL
- TEMP. ABANDONED
- TEST WELL
- WATER INJECTION
- WATER SUPPLY
- WATER DISPOSAL
- DRILLING

Utah Oil Gas and Mining

N
W E
S

PREPARED BY: DIANA WHITNEY
DATE: 26-JULY-2006

DIVISION OF OIL, GAS AND MINING
APPLICATION FOR PERMIT TO DRILL
STATEMENT OF BASIS

OPERATOR: NEWFIELD PRODUCTION COMPANY
WELL NAME & NUMBER: HORSESHOE BEND STATE 4-28-6-21
API NUMBER: 43-047-38366
LOCATION: 1/4,1/4 NW/NW Sec: 28 TWP: 6S RNG: 21E 705' FNL 1295' FWL

Geology/Ground Water:

Newfield proposes to set 290 feet of surface casing cemented to the surface. The base of the moderately saline water is estimated at 2,700 feet. A search of Division of Water Rights records shows no water wells within a 10,000 foot radius of the center of Section 36. The surface formation at this location is the Uinta Formation. The Uinta Formation is made up of discontinuous sands interbedded with shales and are not expected to produce prolific aquifers. Production casing cement should be brought up above the base of the moderately saline ground water to isolate it from fresher waters up hole. The proposed casing and cementing program should adequately protect any near surface aquifers.

Reviewer: Brad Hill **Date:** 08-24-06

Surface:

The pre-site investigation of the surface was performed on 08/15/2006. This site is on State surface, with State minerals. DWR representative, Ben Williams was invited, but was unable to attend the pre-site. Mr. Williams expressed his regrets at being unable to attend, and stated that he had no recommendations to make for this site. SITLA representative Jim Davis was present and expressed concern with the view of this location from the Green River, but determined that due to the thick Cottonwood trees closer to the river no accommodations would be necessary. A drilling window closure was discussed due to the close proximity and slight elevation gain from the Green River. It is recommended by Richard Powell that drilling not be allowed from March 1st to June 15 to avoid possible complication, which could arise as a result of high spring water flows.

Reviewer: Richard Powell **Date:** 08/15/2006

Conditions of Approval/Application for Permit to Drill:

1. A synthetic liner with a minimum thickness of 12 mils shall be properly installed and maintained in the reserve pit.

ON-SITE PREDRILL EVALUATION
Division of Oil, Gas and Mining

OPERATOR: NEWFIELD PRODUCTION COMPANY
WELL NAME & NUMBER: HORSESHOE BEND STATE 4-28-6-21
API NUMBER: 43-047-38366
LEASE: ML-49756 **FIELD/UNIT:** HORSESHOE BEND
LOCATION: 1/4,1/4 NW/NW **Sec:** 28 **TWP:** 6S **RNG:** 21E 705' FNL 1295' FWL
LEGAL WELL SITING: 500' F ¼ **boundary.**
GPS COORD (UTM): 4459093Y 0622000X **SURFACE OWNER:** SITLA

PARTICIPANTS

Richard Powell (DOGM), Shon McKinnon and Kim Kettle (Newfield), Jim Davis (SITLA).

REGIONAL/LOCAL SETTING & TOPOGRAPHY

Location is set on a gradual slope away from the Green river flood plain. A band of hills surround the location from the south in a kind of bowl and the Green river lies to the north about 250 yards away and approximately 50 feet lower in elevation. From the river bank to within 100 yards of location the terrain is quite flat, then rises gently to the location.

SURFACE USE PLAN

CURRENT SURFACE USE: Wildlife grazing.

PROPOSED SURFACE DISTURBANCE: Location will be 290' by 199'. Proposed new access road approximately 190 ft.

LOCATION OF EXISTING WELLS WITHIN A 1-MILE RADIUS: See attached map from GIS database.

LOCATION OF PRODUCTION FACILITIES AND PIPELINES: All production facilities will be on location and added after drilling well. Pipeline will follow access road.

SOURCE OF CONSTRUCTION MATERIAL: All construction material will be borrowed from site during construction of location.

ANCILLARY FACILITIES: None will be required.

WILL DRILLING AT THIS LOCATION GENERATE PUBLIC INTEREST OR CONCERNS? (EXPLAIN): Unlikely

WASTE MANAGEMENT PLAN:

Drilled cuttings will be settled into reserve pit. Liquids from pit will be allowed to evaporate. Formation water will be confined to storage tanks. Portable toilets, sewage holding tanks, and onsite sewage treatment equipment will be handled by commercial contractors and

regulated by the appropriate health authority. Trash will be contained in trash baskets and disposed of at an approved landfill.

ENVIRONMENTAL PARAMETERS

AFFECTED FLOODPLAINS AND/OR WETLANDS: None

FLORA/FAUNA: Sagebrush, grease wood, shad scale, rabbit brush, prickly pear, / Rodents, Raptors, Coyote, Songbirds, Rabbit, Pronghorn, mule deer

SOIL TYPE AND CHARACTERISTICS: Light brown sandy soil

EROSION/SEDIMENTATION/STABILITY: Very little natural erosion. Sedimentation and stability are not a problem and location construction shouldn't cause an increase in stability or erosion problems.

PALEONTOLOGICAL POTENTIAL: None observed.

RESERVE PIT

CHARACTERISTICS: 80' BY 40' and eight feet deep.

LINER REQUIREMENTS (Site Ranking Form attached): A liner will be required for reserve pit. Site ranking score is 42.

SURFACE RESTORATION/RECLAMATION PLAN:

SURFACE AGREEMENT: As per SITLA

CULTURAL RESOURCES/ARCHAEOLOGY: According to Mr. McKinnon the archaeology study has been ordered.

OTHER OBSERVATIONS/COMMENTS

Due to the close proximity and only slight elevation gain from the Green river, I recommend that drilling should not be allowed to take place during the spring when water flows are high. I recommend drilling window closure from March 1 to June 15.

ATTACHMENTS

Photos of this site were taken and placed on file.

RICHARD POWELL	08/15/06 2:35 AM
DOGM REPRESENTATIVE	DATE/TIME

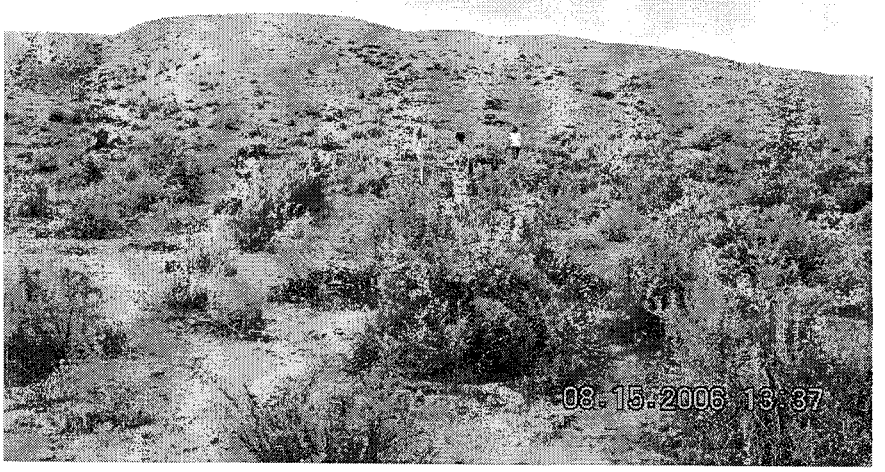
Evaluation Ranking Criteria and Ranking Score
For Reserve and Onsite Pit Liner Requirements

Site-Specific Factors	Ranking	Site Ranking
Distance to Groundwater (feet)		
>200	0	
100 to 200	5	
75 to 100	10	
25 to 75	15	
<25 or recharge area	20	15
Distance to Surf. Water (feet)		
>1000	0	
300 to 1000	2	
200 to 300	10	
100 to 200	15	
< 100	20	2
Distance to Nearest Municipal Well (feet)		
>5280	0	
1320 to 5280	5	
500 to 1320	10	
<500	20	0
Distance to Other Wells (feet)		
>1320	0	
300 to 1320	10	
<300	20	0
Native Soil Type		
Low permeability	0	
Mod. permeability	10	
High permeability	20	20
Fluid Type		
Air/mist	0	
Fresh Water	5	
TDS >5000 and <10000	10	
TDS >10000 or Oil Base Mud Fluid containing significant levels of hazardous constituents	15 20	5
Drill Cuttings		
Normal Rock	0	
Salt or detrimental	10	0
Annual Precipitation (inches)		
<10	0	
10 to 20	5	
>20	10	0
Affected Populations		
<10	0	
10 to 30	6	
30 to 50	8	
>50	10	0
Presence of Nearby Utility Conduits		
Not Present	0	
Unknown	10	
Present	15	0

Final Score 42 (Level I Sensitivity)

Sensitivity Level I = 20 or more; total containment is required.
Sensitivity Level II = 15-19; lining is discretionary.
Sensitivity Level III = below 15; no specific lining is required.


08.15.2006 13:37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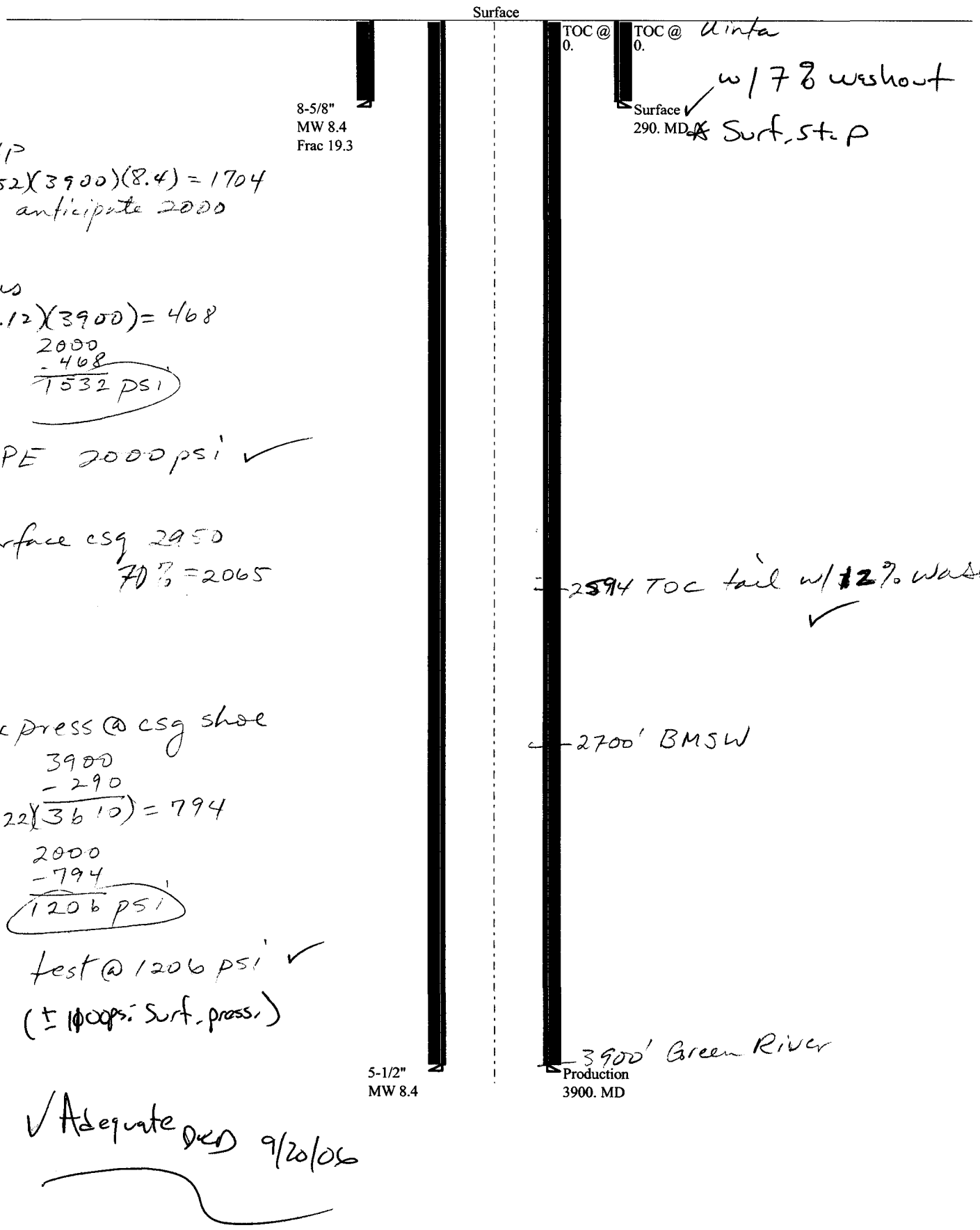
08.15.2006 13:38

06 Newfield Horseshoe Bend ST 4-28-6-21

Casing Schematic



Adequate DKD 9/20/06

Well name:	**09-06 Newfield Horseshoe Bend ST 4-28-6-21**
Operator:	**Newfield Production Company**
String type:	Surface
Project ID:	43-047-38366
Location:	Uintah County

Design parameters:

Collapse

Mud weight: 8.400 ppg
Design is based on evacuated pipe.

Burst

Max anticipated surface pressure: 255 psi
Internal gradient: 0.120 psi/ft
Calculated BHP 290 psi

No backup mud specified.

Minimum design factors:

Collapse:

Design factor 1.125

Burst:

Design factor 1.00

Tension:

8 Round STC: 1.80 (J)
8 Round LTC: 1.80 (J)
Buttress: 1.60 (J)
Premium: 1.50 (J)
Body yield: 1.50 (B)

Tension is based on buoyed weight.
Neutral point: 253 ft

Environment:

H2S considered? No
Surface temperature: 75 °F
Bottom hole temperature: 79 °F
Temperature gradient: 1.40 °F/100ft
Minimum section length: 290 ft

Cement top: Surface

Non-directional string.

Re subsequent strings:

Next setting depth: 3,900 ft
Next mud weight: 8.400 ppg
Next setting BHP: 1,702 psi
Fracture mud wt: 19.250 ppg
Fracture depth: 290 ft
Injection pressure 290 psi

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft^3)
1	290	8.625	24.00	J-55	ST&C	290	290	7.972	14

Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	127	1370	10.826	290	2950	10.17	6	244	40.12 J

Prepared by: Helen Sadik-Macdonald
Utah Div. of Oil & Mining
Phone: 801-538-5357
FAX: 801-359-3940
Date: September 6,2006
Salt Lake City, Utah

Remarks:
Collapse is based on a vertical depth of 290 ft, a mud weight of 8.4 ppg The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

Engineering responsibility for use of this design will be that of the purchaser.

Well name:	**09-06 Newfield Horseshoe Bend ST 4-28-6-21**
Operator:	**Newfield Production Company**
String type:	Production
Project ID:	43-047-38366
Location:	Uintah County

Design parameters:

Collapse
Mud weight: 8.400 ppg
Design is based on evacuated pipe.

Burst
Max anticipated surface pressure: ~~822~~ ~~351~~ psi
Internal gradient: ~~0.22~~ ~~0.346~~ psi/ft
Calculated BHP 1,702 psi

No backup mud specified.

Minimum design factors:

Collapse:
Design factor 1.125

Burst:
Design factor 1.00

Tension:
8 Round STC: 1.80 (J)
8 Round LTC: 1.80 (J)
Buttress: 1.60 (J)
Premium: 1.50 (J)
Body yield: 1.50 (B)

Tension is based on buoyed weight.
Neutral point: 3,404 ft

Environment:
H2S considered? No
Surface temperature: 75 °F
Bottom hole temperature: 130 °F
Temperature gradient: 1.40 °F/100ft
Minimum section length: 1,500 ft

Cement top: Surface

Non-directional string.

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft^3)
1	3900	5.5	15.50	J-55	LT&C	3900	3900	4.825	122.3

Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	1702	4040	2.374	1702	4810	2.83	53	217	4.11 J

Prepared by: Helen Sadik-Macdonald, Utah Div. of Oil & Mining
Phone: 801-538-5357
FAX: 801-359-3940
Date: September 6,2006
Salt Lake City, Utah

Remarks:
Collapse is based on a vertical depth of 3900 ft, a mud weight of 8.4 ppg The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

Engineering responsibility for use of this design will be that of the purchaser.

NEWFIELD
ROCKY MOUNTAINS

August 1, 2006

Utah Division of Oil, Gas & Mining
P.O. Box 145801
Attn: Diana Whitney
Salt Lake City, Utah 84114-5801

RE: Exception Location:
Horseshoe Bend State 4-28-6-21
705' FNL, 1295' FWL
NWNW Sec 28-T6S-R21E
Uintah County, Utah

Dear Ms. Whitney:

Pursuant to Rule R649-3-3 of the Oil & Gas Rules and Regulations of the State of Utah, Newfield Production Company hereby requests an exception location for the drilling of the captioned well. Rule R649-3-2 requires a well to be located in the center of a forty (40) acre quarter-quarter section, or a substantially equivalent lot or tract, with a tolerance of two hundred (200) feet in any direction from the center.

Due to the location of the Green River in Section 28, it was necessary to move the location outside of the normal drilling window tolerance. The attached plat depicts the proposed drillsite location.

Please note the location is completely within State minerals and the surface is fee. The drillsite lease, ML-49756, and all surrounding acreage within a four hundred sixty foot (460') radius of the proposed location are owned by Newfield Production Company and Kerr-McGee. I have contacted Kerr-McGee and their consent to this location is attached.

If you have any questions or need additional information please contact me at (303) 382-4479. Thank you for your assistance in this matter.

Sincerely,

Rhonda Deimer

Rhonda Deimer
Land Associate

RECEIVED
AUG 07 2006
DIV. OF OIL, GAS & MINING

Fax to: 303-893-0103
Newfield Production Company
Attn: Rhonda Deimer

RE: Exception Location
Horseshoe Bend State 4-28-6-21
Uintah County, Utah

Please be advised that Kerr-McGee Rocky Mountain Corp. does not have an objection to the proposed exception location of the aforementioned well.

Kerr-McGee Rocky Mountain Corp.

By: Duane Haley

Duane Haley
Print Name and Title
Landman

Date: 7/25/2006

RECEIVED
AUG 07 2006
DIV. OF OIL, GAS & MINING

FORM 3

STATE OF UTAH
DIVISION OF OIL, GAS AND MINING

APPLICATION FOR PERMIT TO DRILL, DEEPEN

5. LEASE DESIGNATION AND SERIAL NO.	ML-49756
6. IF INDIAN, ALLOTTEE OR TRIBE NAME	N/A
7. UNIT AGREEMENT NAME	N/A
8. FARM OR LEASE NAME	N/A
9. WELL NO.	Horseshoe Bend State #4-28-6-21
10. FIELD AND POOL OR WILDCAT	Horseshoe Bend
11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:	Lot #2 NW/NW Sec. 28, T6S, R21E
12. County	Uintah
13. STATE	UT

1a. TYPE OF WORK: DRILL [X] DEEPEN [ ]

1b. TYPE OF WELL: OIL [ ] GAS [X] OTHER [ ] SINGLE ZONE [X] MULTIPLE ZONE [ ]

2. NAME OF OPERATOR: Newfield Production Company

3. ADDRESS AND TELEPHONE NUMBER: Route #3 Box 3630, Myton, UT 84052 Phone: (435) 646-3721

4. LOCATION OF WELL (FOOTAGE)
At Surface: Lot #2 NW/NW 705' FNL 1295' FWL
At proposed Producing Zone:

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*: Approximately 25.1 miles southwest of Vernal, UT

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any)	16. NO. OF ACRES IN LEASE	17. NO. OF ACRES ASSIGNED TO THIS WELL
Approx. 705' f/lse line and NA' f/unit line	67.50	Approx. 40
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR ON THIS LEASE, FT.	**19. PROPOSED DEPTH**	**20. ROTARY OR CABLE TOOLS**
NA	3900'	Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.): 4702' GL

22. APPROX. DATE WORK WILL START*: 3rd Quarter 2006

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT/FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4	8 5/8	24#	290'	155 sx +/- 10%
7 7/8	5 1/2	15.5#	TD	Volumes will be calculated off of Logs +/- 15%
				See Detail Below

DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

***The actual cement volumes will be calculated off of the open hole logs, plus 15% excess:**

SURFACE PIPE - 155 sx Class G Cement +/I 10%, w/ 2% CaCl2 & 1/4#/sk Cello-flake
Weight: 15.8 PPG YIELD: 1.17 Cu Ft/sk H2O Req: 5 gal/sk

LONG STRING - 275 sacks lead
Lead: Premium Lite II Cement + 3lbs/sk BA-90 + 3% KCl + .25 lbs/sk Cello Flake + 2 lbs/sk Kol Seal + 10% Bentonite + .5% Sodium Metasilicate
Weight: 11.0 PPG YIELD: 3.43 Cu Ft/sk H2O Req: 21.04 gal/sk

450 sacks tail
Tail: 50-50 Poz-Class G Cement + 3% KCl + .25 lbs/sk Cello Flake + 2% Bentonite + .3% Sodium Metasilicate
Weight: 14.2 PPG YIELD: 1.59 Cu Ft/sk H2O Req: 7.88 gal/sk

Telephone w/Mandy 4/30/06 KSR

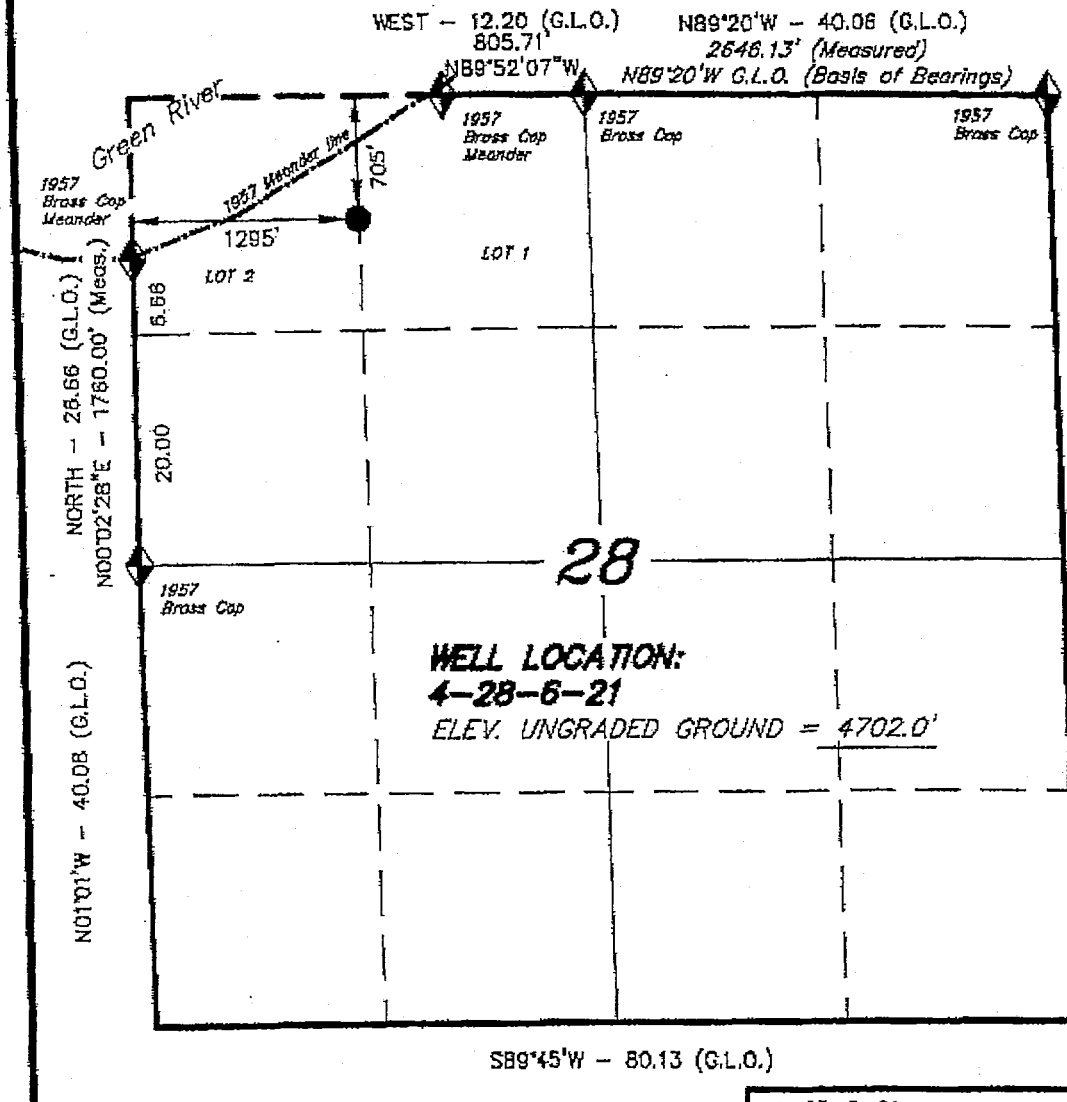
24. Name & Signature: Mandie Crozier Title: Regulatory Specialist Date: 7/13/2006

(This space for State use only)

API Number Assigned: _____ APPROVAL: _____

RECEIVED
AUG 07 2006
DIV. OF OIL, GAS & MINING

T6S, R21E, S.L.B.&M.



◆ = SECTION CORNERS LOCATED

BASIS OF ELEV:
U.S.G.S. 7-1/2 min QUAD (VERNAL SE)

4-28-6-21
(Surface Location) NAD 83
LATITUDE = 40° 16' 31.02"
LONGITUDE = 109° 33' 56.63"

NEWFIELD PRODUCTION COMPANY

WELL LOCATION, 4-28-6-21, LOCATED AS SHOWN IN LOT 2 OF SECTION 28, T6S, R21E, S.L.B.&M. UINTAH COUNTY, UTAH.

1000' 500' 0' 1000'
BAR SCALE

N

Note:
The Proposed Well head bears S61°38'12"W 1476.70' from the North 1/4 Corner of Section 28.

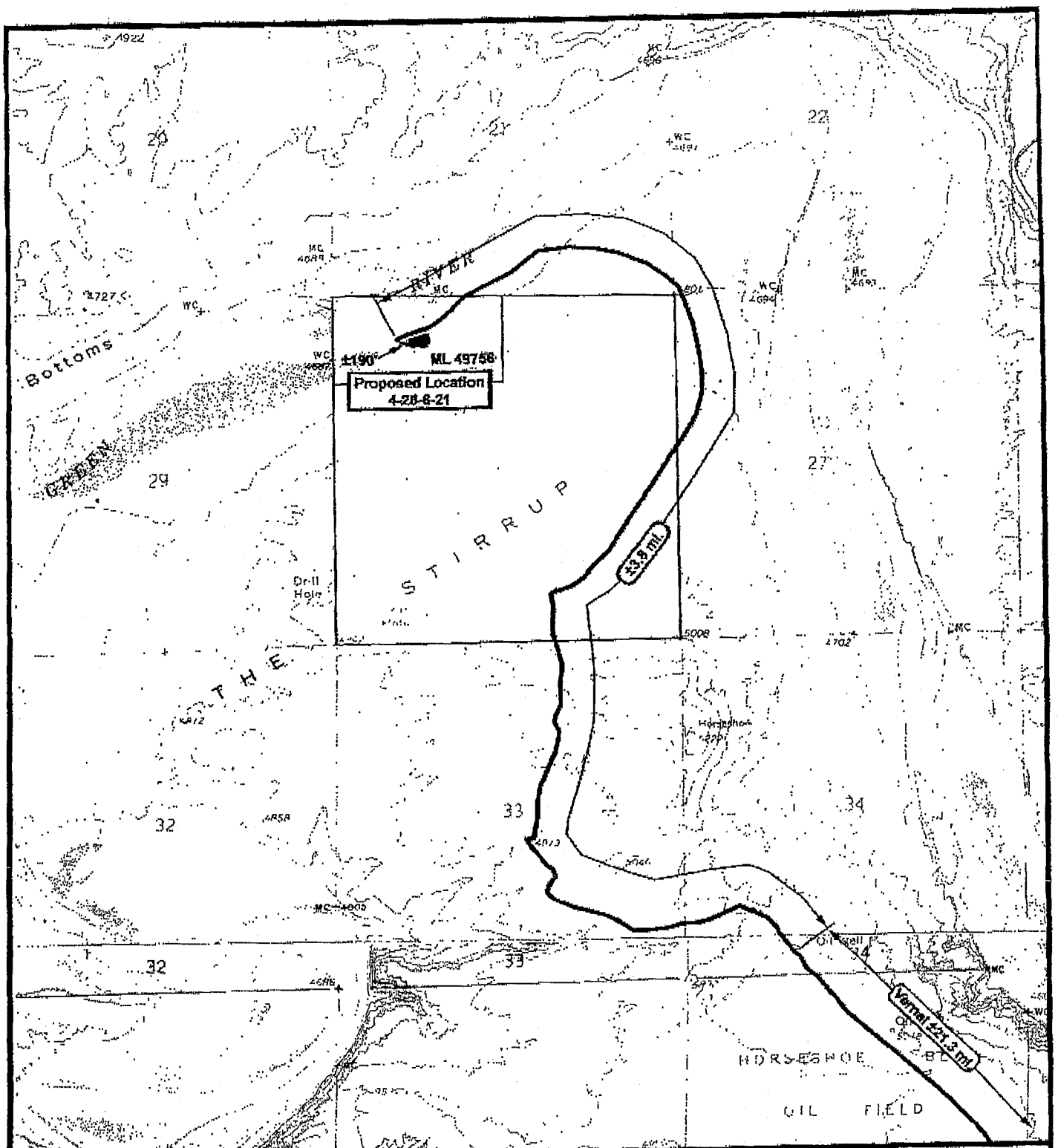
THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF. No.189377

REGISTERED LAND SURVEYOR
REGISTRATION No.
STATE OF UTAH

STACY W. [illegible]
REGISTERED LAND SURVEYOR
STATE OF UTAH

TRI STATE LAND SURVEYING & CONSULTING
180 NORTH VERNAL AVE. – VERNAL, UTAH 84078
(435) 781-2501

DATE SURVEYED: 03-23-06	SURVEYED BY: D.P.
DATE DRAWN: 03-28-06	DRAWN BY: F.T.M.
REVISED:	SCALE: 1" = 1000'



Legend

Existing Road

Proposed Access

Tri-State Land Surveying Inc.
(435) 781-2501
180 North Vernal Ave. Vernal, Utah 84078

SCALE: 1" = 2,000'
DRAWN BY: mw
DATE: 07-13-2006

TOPOGRAPHIC MAP
"B"

4-28-6-21
SEC. 28, T6S, R21E, S.L.B.&M.

From: Ed Bonner
To: Whitney, Diana
Date: 9/12/2006 2:43:10 PM
Subject: Well Clearance

The following wells have been given cultural resource clearance by the Trust Lands Cultural Resources Group:

Cochrane Resources, Inc
Divide 32-32 (API 43 019 31487)

Enduring Resources, LLC
Southam Canyon 10-25-11-32 (API 43 047 38395)
Southam Canyon 10-25-14-32 (API 43 047 38396)
Southam Canyon 10-25-34-32 (API 43 047 38401)
Rock House 10-23-34-32 (API 43 047 38470)
East Bench 11-22-31-32 (API 43 047 38273)
Sand Wash 12-22-23-32 (API 43 047 38285)
Sand Wash 12-22-44-32 (API 43 047 38286)
Buck Camp 12-22-23-2 (API 43 047 38483)
Buck Camp 12-22-14-2 (API 43 047 38482)

The Houston Exploration Company
North Horseshoe 5-16-6-22 (API 43 047 38406)

Newfield Production Company
Horseshoe Bend State 4-28-6-21 (API 43 047 38366)

XTO Energy, Inc
State of Utah 17-8-19-11D (API 43 015 30695)
State of Utah 17-8-20-13 (API 43 015 30698)

If you have any questions regarding this matter please give me a call.

CC: Davis, Jim; Garrison, LaVonne; Hill, Brad; Hunt, Gil

NEWFIELD

September 18, 2006

State of Utah
Division of Oil, Gas & Mining
Attn: Diana Whitney
1594 West North Temple - Suite 1210
P.O. Box 145801
Salt Lake City, Utah 84114-5801

RE: Amended Application for Permit to Drill, Horseshoe Bend State #4-28-6-21 and #3-36-6-21

Dear Diana:

Enclosed find the amended APD's for the above mentioned Horseshoe Bend State Wells. As per the request of Helen McDonald, the 10 Point Drilling Programs have been amended. If you have any questions, feel free to give either Brad or myself a call.

Sincerely,

Mandie Crozier
Regulatory Specialist

enclosures
cc: Helen McDonald

RECEIVED
SEP 19 2006
DIV. OF OIL, GAS & MINING

FORM 3

STATE OF UTAH

DIVISION OF OIL, GAS AND MINING

APPLICATION FOR PERMIT TO DRILL, DEEPEN

5. LEASE DESIGNATION AND SERIAL NO.: ML-49756

6. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A

1a. TYPE OF WORK: DRILL [X] DEEPEN [ ]

1b. TYPE OF WELL

OIL [ ] GAS [X] OTHER [ ] SINGLE ZONE [X] MULTIPLE ZONE [ ]

7. UNIT AGREEMENT NAME: N/A

8. FARM OR LEASE NAME: N/A

2. NAME OF OPERATOR: **Newfield Production Company**

9. WELL NO.: **Horseshoe Bend State #4-28-6-21**

3. ADDRESS AND TELEPHONE NUMBER: **Route #3 Box 3630, Myton, UT 84052** **Phone: (435) 646-3721**

10. FIELD AND POOL OR WILDCAT: **Horseshoe Bend**

4. LOCATION OF WELL (FOOTAGE)

At Surface: **Lot #2 NW/NW 705' FNL 1295' FWL**

At proposed Producing Zone

11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:

Lot #2 NW/NW
Sec. 28, T6S, R21E

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*: **Approximately 25.1 miles southwest of Vernal, UT**

12. County: **Uintah** 13. STATE: **UT**

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT.(Also to nearest drlg. unit line, if any)	16. NO. OF ACRES IN LEASE	17. NO. OF ACRES ASSIGNED TO THIS WELL
Approx. 705' f/lse line and NA' f/unit line	**67.50**	**Approx. 40**
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR ON THIS LEASE, FT.	19. PROPOSED DEPTH	20. ROTARY OR CABLE TOOLS
NA	**3900'**	**Rotary**

21. ELEVATIONS (Show whether DF, RT, GR, etc.): **4702' GL**

22. APPROX. DATE WORK WILL START*: **3rd Quarter 2006**

23. **PROPOSED CASING AND CEMENTING PROGRAM**

SIZE OF HOLE	SIZE OF CASING	WEIGHT/FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4	8 5/8	24#	290'	155 sx +/- 10%
7 7/8	5 1/2	15.5#	TD	Volumes will be calculated off of Logs +/- 15%
				See Detail Below

DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give date on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

***The actual cement volumes will be calculated off of the open hole logs, plus 15% excess:**

SURFACE PIPE - 155 sx Class G Cement +/I 10%, w/ 2% CaCl2 & 1/4#/sk Cello-flake
Weight: 15.8 PPG YIELD: 1.17 Cu Ft/sk H2O Req: 5 gal/sk

LONG STRING - Lead: Premium Lite II Cement + 3lbs/sk BA-90 + 3% KCl + .25 lbs/sk Cello Flake + 2 lbs/sk Kol Seal + 10% Bentonite + .5% Sodium Metasilicate
Weight: 11.0 PPG YIELD: 3.43 Cu Ft/sk H2O Req: 21.04 gal/sk

Tail: 50-50 Poz-Class G Cement + 3% KCl + .25 lbs/sk Cello Flake + 2% Bentonite + .3% Sodium Metasilicate
Weight: 14.2 PPG YIELD: 1.59 Cu Ft/sk H2O Req: 7.88 gal/sk

24.

Name & Signature: Mandie Crozier Title: **Regulatory Specialist** Date: **7/13/2006**

Mandie Crozier

(This space for State use only)

API Number Assigned: 43-047-38366 APPROVAL:

RECEIVED
SEP 19 2006
DIV. OF OIL, GAS & MINING

NEWFIELD PRODUCTION COMPANY
HORSESHOE BEND STATE #4-28-6-21
LOT #2 SECTION 28, T6S, R21E
UINTAH COUNTY, UTAH

ONSHORE ORDER NO. 1

DRILLING PROGRAM

1. ***GEOLOGIC SURFACE FORMATION:***

Uinta formation of Upper Eocene Age

2. ***ESTIMATED TOPS OF IMPORTANT GEOLOGIC MARKERS:***

Uinta	0' – 3,900'
Green River	3,900' +

3. ***ESTIMATED DEPTHS OF ANTICIPATED WATER, OIL, GAS OR MINERALS:***

Uinta Formation (Gas) 3,405' – 3,900'

Fresh water may be encountered in the Uinta Formation, but would not be expected below about 350'. All water shows and water bearing geologic units shall be reported to the geologic and engineering staff of the Vernal Office prior to running the next string of casing or before plugging orders are requested. All water shows must be reported within one (1) business day after being encountered.

All usable (<10,000 PPM TDS) water and prospectively valuable minerals (as described by BLM at onsite) encountered during drilling will be recorded by depth and adequately protected. This information shall be reported to the Vernal Office.

Detected water flows shall be sampled, analyzed, and reported to the geologic & engineering staff of the Vernal Office. The office may request additional water samples for further analysis. Usage of the State of Utah form *Report of Water Encountered* is acceptable, but not required.

The following information is requested for water shows and samples where applicable:

Location & Sampled Interval	Date Sampled
Flow Rate	Temperature
Hardness	pH
Water Classification (State of Utah)	Dissolved Calcium (Ca) (mg/l)
Dissolved Iron (Fe) (ug/l)	Dissolved Sodium (Na) (mg/l)
Dissolved Magnesium (Mg) (mg/l)	Dissolved Carbonate (CO_3) (mg/l)
Dissolved Bicarbonate ($NaHCO_3$) (mg/l)	Dissolved Chloride (Cl) (mg/l)
Dissolved Sulfate (SO_4) (mg/l)	Dissolved Total Solids (TDS) (mg/l)

4. *PROPOSED CASING PROGRAM*

a. Casing Design: Horseshoe Bend State 4-28-6-21

SIZE	INTERVAL TOP	INTERVAL BTM	WT.	GR.	CPLG.	DESIGN FACTORS BURST	DESIGN FACTORS COLLAPSE	DESIGN FACTORS TENSION
					Csg Ratings:	**2950**	**1370**	**263000**
*SurfaceCasing 8-5/8"	0	290	24	K-55	STC	18.13	14.85	4.62
					Csg Ratings:	**4810**	**4040**	**217000**
**Production Casing 5-1/2" Prod mode						3.49	2.93	1.96
Stim mode	0	3900	15.5	J55	LTC	2.70	2.93	1.96

Assumptions:

1) Surf. Csg max anticipated surface pressure (MASP) = Fracture Gradient - Gas Gradient (0.115psi/ft*TVDshoe)

2) Surface Casing Collapse = Fully evacuated casing = Pore Pressure - Gas Gradient (0.115psi/ft*TVDshoe)

3) Surface Casing Tension = Air weight of casing + 50,000# overpull

4) Production Casing MASP (production mode) = Pore Pressure - Gas Gradient * TVDshoe

4a) Prod csg MASP (stim mode) = Frac Gradient*TVDshoe+Perf Friction+Pipe Friction - Hydr. Pressure

5) Production Casing Collapse = Fully evacuated casing = Pore Pressure - Gas Gradient (0.115psi/ft*TVDshoe)

6) Production Casing Tension = Air weight of casing + 50,000# overpull

*Fracture Gradient at surface casing shoe =	13.00	ppg
*Pore pressure at surface casing shoe =	8.33	ppg
**Pore pressure at production casing shoe =	9.00	ppg
**Fracture gradient at production casing shoe =	0.80	psi/ft
**Perforation Friction =	100.00	psig
**Pipe Friction =	65.00	psi/1000ft
**Fracture treatment displacement fluid =	8.33	ppg

All casing shall be new or, if used, inspected and tested. Used casing shall meet or exceed API standards for new casing.

All casing strings shall have a minimum of 1 (one) centralizer on each of the bottom three (3) joints.

b. Cementing Design: Horseshoe Bend State 4-28-6-21

FT. OF FILL		DESCRIPTION	SACKS / FT^3	EXCESS*	WEIGHT	YIELD
Surface csg	290	Class G w/ 2% CaCl + ¼ lbs/sk Celloflake.	133 / 155	30%	15.8	1.17
Prod. Csg LEAD	2600	*Premlite II w/ 10% gel + 3% KCl + 2 lbs/sk Kol Seal + ¼ lbs/sk Celloflake + 3 lbs/sk BA-90	197 / 675	50%	11.0	3.43
Prod. Csg. TAIL	1300	*50/50 Poz Class G w/ 2% gel+ 3% KCl + 0.5% EC1 + ¼ lbs/sk Celloflake	273 / 338	50%	14.3	1.24

*Actual volume pumped will be 15% over caliper log

1) Compressive Strength of lead cmt: 1800 psi @ 24 hrs, 2250 psi @ 72 hrs

2) Compressive Strength of tail cmt: 2500 psi @ 24 hrs

Waiting On Cement: A minimum of four (4) hours shall elapse prior to attempting any pressure testing of the BOP equipment which would subject the surface casing cement to pressure, and a minimum of six (6) hours shall elapse before drilling the wiper plug, cement, or shoe. WOC time shall be recorded in the Driller's Log. Compressive Strength shall be a minimum of 500 psi prior to drilling out.

The Vernal BLM Office shall be notified, with sufficient lead time, in order to have a BLM representative on location while running all casing strings and cementing.

The 8-5/8" surface casing shall in all cases be cemented back to surface. In the event that during the primary surface cementing operation the cement does not circulate to surface, or if the cement level should fall back more than 8 feet from surface, then a remedial surface cementing operation shall be performed to insure adequate isolation and stabilization of the surface casing.

The production casing cementing program shall be conducted as approved to protect and/or isolate all usable water zones, potentially productive zones, lost circulation zones, abnormally pressured zones, and any prospectively valuable deposits of minerals.

As a minimum, usable water zones shall be isolated and/or protected by having a cement top for the production casing at least 200 feet above the base of the usable water. If gilsonite is encountered while drilling, it shall be isolated and/or protected via the cementing program.

Top plugs shall be used to reduce contamination of cement by displacement fluid. A bottom plug or other acceptable technique, such as a suitable preflush fluid, inner string cement method, etc., shall be utilized to help isolate the cement from contamination by the mud being displaced ahead of the cement slurry.

All casing strings below the conductor shall be pressure tested to 0.22 psi per foot of casing string length or to 1500 psi, whichever is greater, but not to exceed 70% of the minimum internal yield. If pressure declines more than 10% in 30 minutes, corrective action shall be taken.

A Form 3160-5, "Sundry Notices and Reports on Wells" shall be filed with the Vernal Office Manager within 30 days after the work is completed. This report must include the following information:

Setting of each string of casing showing the size, grade, weight of casing set, depth, amounts and type of cement used, whether cement circulated or the top of the cement behind the casing, depth of the cementing tools used, casing test method and results, and the date of the work done. Spud date will be shown on the first reports submitted.

5. *MINIMUM SPECIFICATIONS FOR PRESSURE CONTROL:*

The Company's Class III (3) 3M minimum specifications for pressure control equipment for a standard Uinta development well are as follows:

A 3000 psi WP hydraulic BOP stack consisting of two ram preventers (double or two singles) and an annular preventer per **Exhibit C**.

Connections - All components on the stack and choke and kill lines shall have either flanged, studded, clamp hub or equivalent proprietary connections except control line outlets and pressure gauges.

Annular Preventer - The annular shall be rated to a minimum 3000 psi WP, if one set of pipe rams is installed, and shall be installed at the top of the stack. If a 3 ram preventer and 2

preventers equipped with pipe rams are used, a 3000 psi WP is acceptable. A valve rated to full annular WP shall be mounted on the closing side using XX heavy fittings.

Rams and Position - The lower cavity shall contain pipe rams (master ram) to fit the upper section of the drill pipe in use. Casing rams are not required. The upper cavity shall contain blind rams for a 3 ram stack. A means shall be available to mechanically lock the rams closed.

BOP Side Outlets - The choke and kill lines outlets shall be a minimum 2 inches nominal and can be either in the BOP body between the rams or in a spool placed between the rams. Two gate valves rated to full BOP WP shall be installed on both outlets. The outside choke line valve shall be hydraulically operated.

Choke and Kill Lines - The lines shall be a minimum 2 inches nominal, made of seamless steel, seamless steel with Chiksan™ joints, or armored fire resistant hose rated to required BOP WP. The choke line shall be as straight as possible, and securely anchored. All turns shall be 90 degrees and "targeted." When hoses are used, they shall have a rated test pressure of at least 1.5 times the required BOP WP.

Secondary Kill Outlet - One outlet located below the lower rams either on the BOP stack or on the wellhead shall be fitted with two valves, a needle valve with adapter and pressure gauge, all rated to wellhead WP or greater. This outlet is not to be used in normal operations.

Closing Methods - At least three means of operating all the preventers shall be provided, consisting of any combination of the following:

a. An air and/or electrically operated hydraulic pump(s) capable of closing one ram preventer in 30 seconds.

b. An accumulator capable of closing all preventers and opening the hydraulic choke line valve, without requiring a recharge.

c. Manual method with closing handles and/or wheels to be located in an unobstructed area, away from the wellhead, or additional equipment per item "a" and item "b" to provide full redundancy to method.

d. Bottled nitrogen or other back-up storage system to equal accumulator capacity, manifolded to by-pass the accumulator and close the BOP directly.

Hydraulic Closing Unit - The closing unit shall be equipped with:

a. A control manifold with a control valve for each preventer and hydraulically operated valve; a regulator for the annular preventer; and interconnected steel piping. Each blowout preventer control valve should be turned to open position during drilling operations.

b. Control lines to BOPs of seamless steel, seamless steel lines with Chiksan joints, or fire resistant steel armored hose.

c. A remote control panel from which each preventer and hydraulic valve can be operated. If the remote panel becomes inoperable, it shall not interfere with the operation of the main closing unit.

Location - For land locations, the hydraulic closing unit shall be located in an unobstructed area outside the substructure at least 50 feet from the wellhead and the remote panel shall be located near the driller's position. For offshore installations, the location of the closing unit and remote

panel shall be such that one is located near the driller position and the other is located away from the well area and is accessible from a logical evacuation route.

Choke Manifold - The minimum equipment requirements are shown in **Exhibit C**. The choke manifold shall be located at least 5 feet from the BOP stack, outside the substructure.

Connections - All components of the manifold shall be equipped with flanged, studded, clamped hub or equivalent proprietary connections (gauge connections exempted).

Flow Wings - Three flow wings shall be provided, capable of transmitting well returns through conduits that are a minimum 2 inches nominal. Two wings shall be equipped with chokes and one gate valve upstream of each choke; one gate valve ahead of the discharge manifold; and one valve downstream of each choke; at least one choke shall be adjustable. A gate valve shall be installed directly upstream of the cross if single valves are installed upstream of the chokes. One wing with one gate valve capable of transmitting well returns directly to the discharge manifold. The chokes, the valve(s) controlling the unchoked discharge wing, and all equipment upstream of these items shall be rated to required BOP WP.

Discharge Manifold - A discharge manifold (buffer tank), capable of diverting well returns overboard or to the blowdown/reserve pit; to the mud gas separator; and to the shaker tank is required. Lead-filled bull plugs (or equivalent erosion resistant components) shall be installed in the discharge manifold directly opposite the choked wings.

Pressure Monitoring - A means of monitoring the inlet pressure of the choke manifold shall be provided. The capability to isolate this outlet shall be provided.

Drillstring Control Devices - An upper and lower kelly valve, drillstring safety valve including correct closing handle, and an inside BOP shall be provided. The safety valve and inside BOP shall have connections or crossovers to fit all tubulars with OD to allow adequate clearance for running in the hole. All drillstring valves shall be rated to the required BOP WP.

Auxiliary Equipment - A kelly saver sub with casing protector larger than tool joints at top of drillstring (for kelly equipped rigs); a wear bushing or wear flange to protect the seal area of the wellhead while drilling; and a plug or cup type BOP test tool shall be provided.

The BOP and related equipment shall meet the minimum requirements of Onshore Oil and Gas Order No. 2 for equipment and testing requirements, procedures, etc., for a 3M system, and individual components shall be operable as designed.

Function test of the BOP equipment shall be made daily. All required BOP tests and/or drills shall be recorded in the Driller's report.

Chart recorders will be used for all pressure tests. Test charts, with individual test results identified, shall be maintained on location while drilling and shall be made available to BLM representatives upon request.

If an air compressor is on location and is being utilized to provide air for the drilling medium while drilling, the special drilling requirements in Onshore Oil and Gas Order No. 2 regarding air or gas shall be adhered to. If a mist system is being utilized, the requirement for a deduster shall be waived.

6. ***TYPE AND CHARACTERISTICS OF THE PROPOSED CIRCULATION MUDS:***

From surface to ± 3000 feet will be drilled with fresh water or an air/mist system, depending on the drilling contractor's preference. From approximately 3000 feet, or in the case of the air/mist system when hole conditions dictate, to TD, a fresh water system will be utilized. Clay inhibition and hole stability will be achieved with KCL or DAP polymer additive. This fresh water system will typically contain Total Dissolved Solids (TDS) of less than 3000 PPM. Anticipated maximum mud weight is 9.2 lbs/gal based on the offset HSB 4-28 well (API 43-047-34682-0000). If necessary to control formation fluids or pressure, the system will be weighted with the addition of bentonite gel, and if pressure conditions warrant, with barite.

No chromate additives will be used in the mud system on Federal and/or Indian lands without prior BLM approval to ensure adequate protection of fresh aquifers.

No chemicals subject to reporting under SARA Title III in an amount equal to or greater than 10,000 pounds will be used, produced, stored, transported, or disposed of annually in association with the drilling, testing, or completing of this well. Furthermore, no extremely hazardous substances, as defined in 40 CFR 355, in threshold planning quantities, will be used, produced, stored, transported, or disposed of in association with the drilling, testing, or completing of this well.

Hazardous substances specifically listed by the EPA as a hazardous waste or demonstrating a characteristic of a hazardous waste will not be used in drilling, testing, or completion operations.

7. ***AUXILIARY SAFETY EQUIPMENT TO BE USED:***

None uless dictated by unanticipated well conditions.

8. ***TESTING, LOGGING AND CORING PROGRAMS:***

a. Logging Program:
(the log types run may change at the discretion of the geologist)

FDC/CNL/GR/DIL/SONIC: TD - 2,500'

CBL: A cement bond log will be run from TD to the top of cement behind the production casing. A field copy will be submitted to the Vernal BLM Office.

b. Cores: As deemed necessary.

c. Drill Stem Tests: No DSTs are planned in the Uinta/Green River section. It is possible that DST's may be required in the Uinta Formation.

Drill stem tests, if they are run, will adhere to the following requirements: Initial opening of the drill stem test tools shall be restricted to daylight hours unless specific approval to start during other hours is obtained from the Authorized Officer (AO). However, DSTs may be allowed to continue at night if the test was initiated during daylight hours and the rate of flow is stabilized and if adequate lighting is available (i.e., lighting which is adequate for visibility and vapor-proof for safe operations). Packers can be released but tripping shall not begin before daylight, unless prior approval is obtained from the AO. Closed chamber DSTs may be performed day or night.

Some means of reverse circulation shall be provided in case of flow to the surface showing evidence of hydrocarbons.

Separation equipment required for the anticipated recovery shall be properly installed before a test starts.

If a DST is performed, all engines within 100 feet of the wellbore that are required to be operational during the test shall have spark arresters or water-cooled exhausts.

9. ***ANTICIPATED ABNORMAL PRESSURE OR TEMPERATURE:***

Possible abnormal temperatures and/or pressures are not anticipated in Uitna or Green River. No hydrogen sulfide has been encountered or is known to exist from previous drilling in the area at this depth. Maximum anticipated bottomhole pressure will be approximately equal total depth in feet multiplied by a 0.45 psi/foot gradient.

10. ***ANTICIPATED STARTING DATE AND DURATION OF THE OPERATIONS:***

a. Drilling Activity

Anticipated Commencement Date:	Upon approval of the site specific APD.
Drilling Days:	Approximately 4 days.
Completion Days:	Approximately 4 days.

b. Notification of Operations

The Vernal BLM office will be notified at least 24 hours **prior** to the commencement of spudding the well (to be followed with a Sundry Notice, Form 3160-5), of initiating pressure tests of the blowout preventer and related equipment, and running casing and cementing of all casing strings. Notification will be made during regular work hours (7:45 a.m.-4:30 p.m., Monday - Friday except holidays).

Immediate Report: Spills, blowouts, fires, leaks, accidents, or any other unusual occurrences shall be promptly reported in accordance with the appropriate regulations, Onshore Orders, or BLM policy.

No location will be constructed or moved, no well will be plugged, and no drilling or workover equipment will be removed from a well to be placed in suspended status without prior approval from the AO. If operations are to be suspended, prior approval of the AO will be obtained and notification given to the BLM before resumption of operations.

Daily drilling and completion reports shall be submitted to the Vernal BLM Office on a weekly basis.

Whether the well is completed as a dry hole or a producer, the "Well Completion and Recompletion Report and Log" (Form 3160-4) will be submitted not later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3164. One copy of all logs, core descriptions, core analyses, well test data, geologic summaries, sample description, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations will be filed with Form 3160-4. Samples (cuttings, fluids, and/or gases) will be submitted when requested by the Authorized Officer (AO).

A completion rig will be used for completion operations after the wells are stimulated to run the production tubing.. All conditions of this approved plan will be applicable during all operations conducted with the completion rig.

Operator shall report production data to the MMS pursuant to 30 CFR 216.5 using form MMS/3160. In accordance with Onshore Oil and Gas Order No. 1, a well will be reported on form 3160-6, "Monthly Report of Operations," starting with the month in which operations commence and continue each month until the well is physically plugged and abandoned. This report will be filed with the Vernal BLM Office.

The date on which production is commenced or resumed will be construed for oil wells as the date on which liquid hydrocarbons are first sold or shipped from a temporary storage facility, such as a test tank, and for which a run ticket is required to be generated, or the date on which liquid hydrocarbons are first produced into a permanent storage facility, whichever occurs first; and for gas wells, as the date on which associated liquid hydrocarbons are first sold or shipped from a temporary storage facility, such as a test tank, and for which a run ticket is required to be generated, or the date on which gas is measured through permanent metering facilities, whichever occurs first.

Should the well be successfully completed for production, the AO will be notified when the well is placed in a producing status. Such notification will be sent by written communication not later than 5 days following the date when the well is placed on production.

Pursuant to Onshore Order No. 7, with the approval of the AO, produced water may be temporarily disposed of into unlined pits for a period of up to 90 days. During this period, an application for approval of the permanent disposal method must be submitted to the AO.

Pursuant to NTL-4A, lessees or operators are authorized to vent/flare gas during the initial well evaluation tests, not to exceed 30 days or the production of 50 MMCF of gas, whichever occurs first. An application must be filed with the AO and approval received for any venting/flaring of gas beyond the initial 30 days or authorized test period.

A schematic facilities diagram, as required by 43 CFR 3162.7-5(b.9.d), shall be submitted to the Vernal BLM Office within 60 days of installation or first production, whichever occurs first. All site security regulations, as specified in Onshore Oil & Gas Order No. 3, shall be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in accordance with 43 CFR 3162.7-5(b.4).

Well abandonment operations shall not be commenced without the prior approval of the AO. In the case of newly drilled dry holes or failures, and in emergency situations, oral approval will be obtained from the AO. A "Subsequent Report of Abandonment", Form 3160-5, will be filed with the Authorized Officer within 30 days following completion of the well for abandonment. This report will indicate placement of the plugs and current status of the surface restoration. Final Abandonment will not be approved until the surface reclamation work required by the approved APD or approved abandonment notice has been completed to the satisfaction of the AO, or the appropriate surface managing agency.

Pursuant to Onshore Oil and Gas Order No. 1, lessees and operators have the responsibility to see that their exploration, development, production, and construction operations are conducted in a manner which conforms with applicable Federal laws and regulations and with the State and local laws, to the extent to which they are applicable, to operations on Federal or Indian lands.

NEWFIELD PRODUCTION COMPANY
HORSESHOE BEND STATE #4-28-6-21
LOT #2 SECTION 28, T6S, R21E
UINTAH COUNTY, UTAH

THIRTEEN POINT SURFACE PROGRAM

1. **EXISTING ROADS**

See attached **Topographic Map "A"**

To reach Newfield Production Company well location site Horseshoe Bend State 4-28-6-21 located in the Lot #2 Section 28, T6S, R21E, S.L.B. & M., Uintah County, Utah:

Proceed southwesterly out of Vernal, Utah – 14.4 miles ± to it's junction with an existing road to the southwest; proceed southwesterly – 1.8 miles ± to it's junction with an existing road to the northwest; proceed northwesterly and then southwesterly – 1.4 miles ± to it's junction with an existing road to the northwest; proceed northwesterly – 3.7 miles ± to it's junction with an existing road to the northwest; proceed in a northwesterly direction – 3.8 miles ± to it's junction with the beginning of the proposed access road to the southeast; proceed southeasterly along the proposed access road – 190' to the proposed well location.

In the above mentioned paragraph, the highways are bituminous surfaced roads, all other roads are constructed with existing materials and gravel. The highways are maintained by Utah State road crews. All other roads are maintained by County crews.

The aforementioned dirt oil field service roads and other roads in the vicinity are constructed out of existing native materials that are prevalent to the existing area they are located in and range from clays to a sandy-clay shale material.

The roads for access during the drilling, completion and production phase will be maintained at the standards required by the State of Utah, or other controlling agencies. This maintenance will consist of some minor grader work for smoothing road surfaces and for snow removal.

2. **PLANNED ACCESS ROAD**

Approximately 190' of access road is proposed. See attached **Topographic Map "B"**.

The proposed access road will be an 18' crown road (9' either side of the centerline) with drainage ditches along either side of the proposed road whether it is deemed necessary in order to handle any run-off from normal meteorological conditions that are prevalent to this area. The maximum grade will be less than 8%.

There will be no culverts required along this access road. There will be barrow ditches and turnouts as needed along this road.

There are no fences encountered along this proposed road. There will be no new gates or cattle guards required.

All construction material for this access road will be borrowed material accumulated during construction of the access road.

3. **LOCATION OF EXISTING WELLS**

Refer to **EXHIBIT B**.

4. **LOCATION OF EXISTING AND/OR PROPOSED FACILITIES**

There are no existing facilities that will be used by this well.

It is anticipated that this well will be a producing gas well.

Upon construction of a tank battery, the well pad will be surrounded by a dike of sufficient capacity to contain at minimum 110% of the largest tank volume within the facility battery.

Tank batteries will be built to State specifications.

All permanent (on site for six (6) months or longer) structures, constructed or installed (including pumping units), will be painted Desert Tan. All facilities will be painted within six months of installation.

5. **LOCATION AND TYPE OF WATER SUPPLY**

Water for drilling and completion purposes will be obtained from one of the following sources. Refer to Exhibit "E" for a copy of the Water Use Authorization.

Owner: Target Trucking
2960 North 500 East
Vernal, Utah 84078
(435) 789-6850

Owner: AC/DC Fence and Roustabout Company
PO Box 1493
Roosevelt, Utah 84066
(435) 722-7673

Fresh water may also be purchased by Newfield Production from the Johnson Water District and trucked to the proposed location for the purpose of drilling. – **EXHIBIT D**.

There will be no water well drilled at this site.

6. **SOURCE OF CONSTRUCTION MATERIALS**

All construction material for this location shall be borrowed material accumulated during construction of the location site and access road.

A mineral material application is not required for this location.

7. **METHODS FOR HANDLING WASTE DISPOSAL**

A small reserve pit (90' x 40' x 8' deep, or less) will be constructed from native soil and clay materials. The reserve pit will receive the processed drill cutting (wet sand, shale & rock) removed from the wellbore. Any drilling fluids, which do accumulate in the pit as a result of shale-shaker carryover, cleaning of the sand trap, etc., will be promptly reclaimed. All drilling fluids will be fresh water based, typically containing Total Dissolved Solids of less than 3000 PPM. No potassium chloride, chromates, trash, debris, nor any other substance deemed hazardous

will be placed in this pit. Therefore, it is proposed that no synthetic liner be required in the reserve pit. However, if upon constructing the pit there is insufficient fine clay and silt present, a liner will be used for the purpose of reducing water loss through percolation.

Newfield requests approval that a flare pit not be constructed or utilized on this location.

A portable toilet will be provided for human waste.

A trash basket will be provided for garbage (trash) and hauled away to an approved disposal site at the completion of the drilling activities.

Water not meeting quality criteria will be disposed of at State of Utah approved surface disposal facilities.

8. **ANCILLARY FACILITIES:**

There are no ancillary facilities planned for at the present time and none foreseen in the near future.

9. **WELL SITE LAYOUT:**

See attached Location Layout Sheet.

Fencing Requirements

All pits will be fenced according to the following minimum standards:

a) A 39-inch net wire shall be used with at least one strand of barbed wire on top of the net.

b) The net wire shall be no more than two (2) inches above the ground. The barbed wire shall be three (3) inches above the net wire. Total height of the fence shall be at least forty-two (42) inches.

c) Corner posts shall be centered and/or braced in such a manner to keep tight at all times

d) Standard steel, wood or pipe posts shall be used between the corner braces. Maximum distance between any two posts shall be no greater than sixteen (16) feet.

e) All wire shall be stretched, by using a stretching device, before it is attached to the corner posts.

The reserve pit fencing will be on three (3) sides during drilling operations and on the fourth side when the rig moves off location. Pits will be fenced and maintained until cleanup.

10. **PLANS FOR RESTORATION OF SURFACE:**

a) **Producing Location**

Immediately upon well completion, the location and surrounding area will be cleared of all unused tubing, equipment, debris, material, trash and junk not required for production.

The reserve pit and that portion of the location not needed for production facilities/operations will be recontoured to the approximated natural contours. Weather permitting, the reserve pit will be reclaimed within one hundred twenty (120) days from

the date of well completion. Before any dirt work takes place, the reserve pit must have all fluids and hydrocarbons removed.

b) **Dry Hole Abandoned Location**

At such time as the well is plugged and abandoned, the operator shall submit a subsequent report of abandonment and the State of Utah will attach the appropriate surface rehabilitation conditions of approval.

11. **SURFACE OWNERSHIP:** State of Utah

12. **OTHER ADDITIONAL INFORMATION:**

a) Newfield Production Company is responsible for informing all persons in the area who are associated with this project that they will be subject to prosecution for knowingly disturbing historic or archaeological sites, or for collecting artifacts. If historic or archaeological materials are uncovered during construction, Newfield is to immediately stop work that might further disturb such materials and contact the Authorized Officer.

b) Newfield Production will control noxious weeds along rights-of-way for roads, pipelines, well sites or other applicable facilities. On State administered land it is required that a Pesticide Use Proposal shall be submitted and given approval prior to the application of herbicides or other possible hazardous chemicals.

c) Drilling rigs and/or equipment used during drilling operations on this well site will not be stacked or stored on State Lands after the conclusion of drilling operations or at any other time without State authorization. However, if State authorization is obtained, it is only a temporary measure to allow time to make arrangements for permanent storage on commercial facilities.

The Archaeological Cultural Resource Survey is attached.

Additional Surface Stipulations

All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws and regulations, Onshore Oil and Gas Orders, the approved plan of operations and any applicable Notice to Lessees. A copy of these conditions will be furnished to the field representative to ensure compliance.

Hazardous Material Declaration

Newfield Production Company guarantees that during the drilling and completion of the Horseshoe Bend State 4-28-6-21, Newfield will not use, produce, store, transport or dispose 10,000# annually of any of the hazardous chemicals contained in the Environmental Protection Agency's consolidated list of chemicals subject to reporting under Title III Superfund Amendments and Reauthorization Act (SARA) of 1986. Newfield also guarantees that during the drilling and completion of the Horseshoe Bend State 4-28-6-21Newfield will use, produce, store, transport or dispose less than the threshold planning quantity (T.P.Q.) of any extremely hazardous substances as defined in 40 CFR 355.

A complete copy of the approved APD, if applicable, shall be on location during the construction of the location and drilling activities.

Newfield Production Company or a contractor employed by Newfield Production shall contact the State office at (801) 722-3417, 48 hours prior to construction activities.

The State office shall be notified upon site completion prior to moving on the drilling rig.

13. **LESSEE'S OR OPERATOR'S REPRENSENTATIVE AND CERTIFICATION:**

Representative

Name: Shon McKinnon
Address: Newfield Production Company
Route 3, Box 3630
Myton, UT 84052
Telephone: (435) 646-3721

Certification

Please be advised that Newfield Production Company is considered to be the operator of well #4-28-6-21, Lot #2 Section 28, T6S, R21E, LEASE #ML-49756, Uintah County, Utah and is responsible under the terms and conditions of the lease for the operations conducted upon the leased lands. Bond coverage is provided by Hartford Accident #4471291.

I hereby certify that the proposed drill site and access route have been inspected, and I am familiar with the conditions which currently exist; that the statements made in this plan are true and correct to the best of my knowledge; and that the work associated with the operations proposed here will be performed by Newfield Production Company and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of the 18 U.S.C. 1001 for the filing of a false statement.

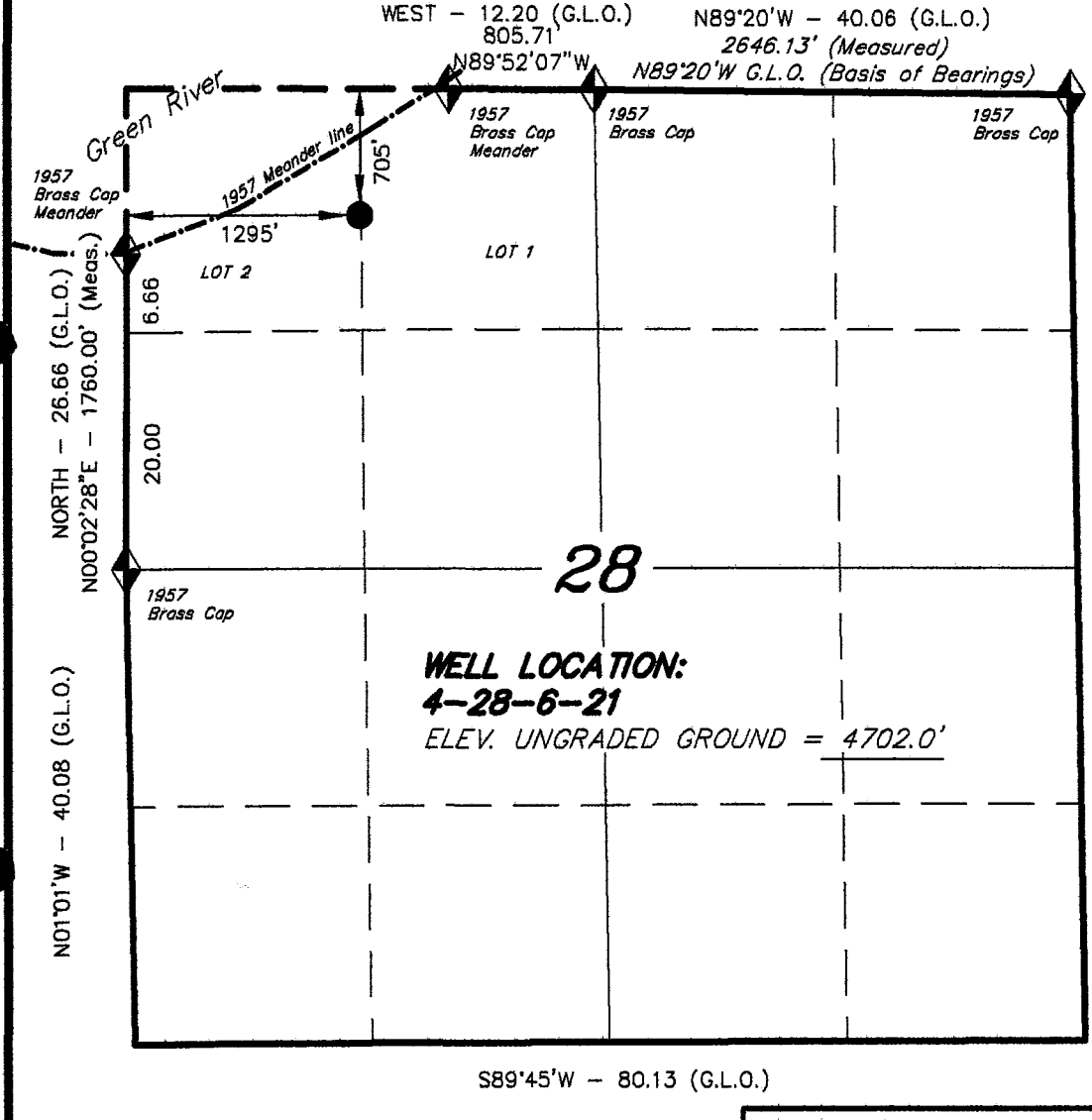
7/13/06
Date

Mandie Crozier
Regulatory Specialist
Newfield Production Company

T6S, R21E, S.L.B.&M.

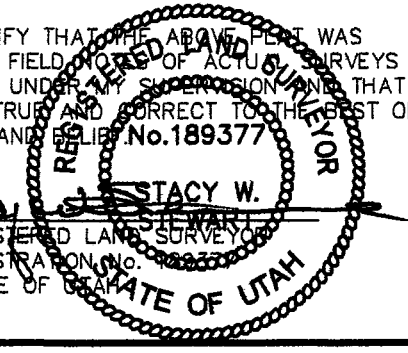
NEWFIELD PRODUCTION COMPANY

WELL LOCATION, 4-28-6-21, LOCATED AS SHOWN IN LOT 2 OF SECTION 28, T6S, R21E, S.L.B.&M. UINTAH COUNTY, UTAH.



Note:
The Proposed Well head bears S61°38'12"W 1476.70' from the North 1/4 Corner of Section 28.

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.



STACY W. STEWART
REGISTERED LAND SURVEYOR
REGISTRATION No. 189377
STATE OF UTAH

◆ = SECTION CORNERS LOCATED

BASIS OF ELEV;
U.S.G.S. 7-1/2 min QUAD (VERNAL SE)

4-28-6-21
(Surface Location) NAD 83
LATITUDE = 40° 16' 31.02"
LONGITUDE = 109° 33' 56.63"

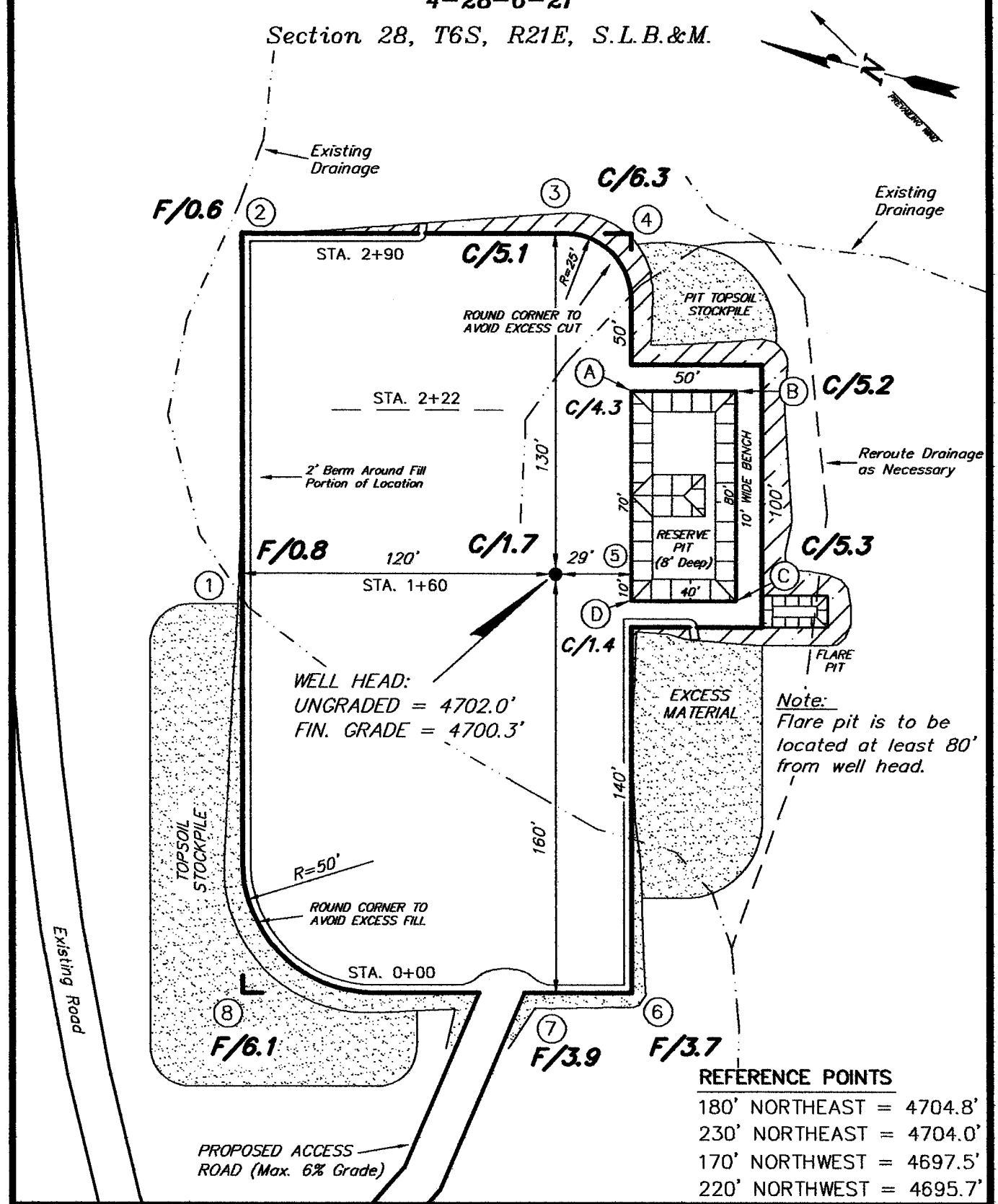
TRI STATE LAND SURVEYING & CONSULTING
180 NORTH VERNAL AVE. - VERNAL, UTAH 84078
(435) 781-2501

DATE SURVEYED: 03-23-06	SURVEYED BY: D.P.
DATE DRAWN: 03-28-06	DRAWN BY: F.T.M.
REVISED:	SCALE: 1" = 1000'

NEWFIELD PRODUCTION COMPANY

4-28-6-21

Section 28, T6S, R21E, S.L.B.&M.



REFERENCE POINTS

180' NORTHEAST = 4704.8'
230' NORTHEAST = 4704.0'
170' NORTHWEST = 4697.5'
220' NORTHWEST = 4695.7'

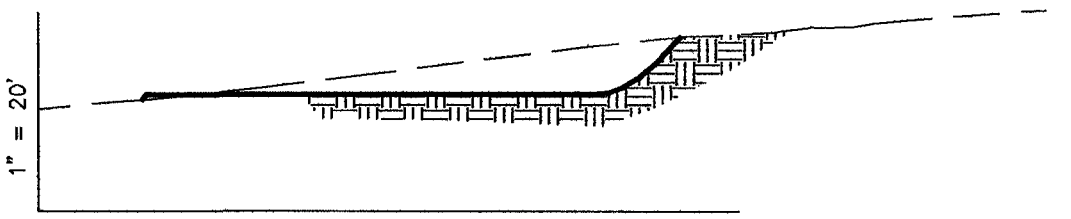
SURVEYED BY: D.P.		SCALE:	1" = 50'
DRAWN BY: F.T.M.		DATE:	07-11-06

Tri State Land Surveying, Inc. (435) 781-2501
180 NORTH VERNAL AVE. VERNAL, UTAH 84078

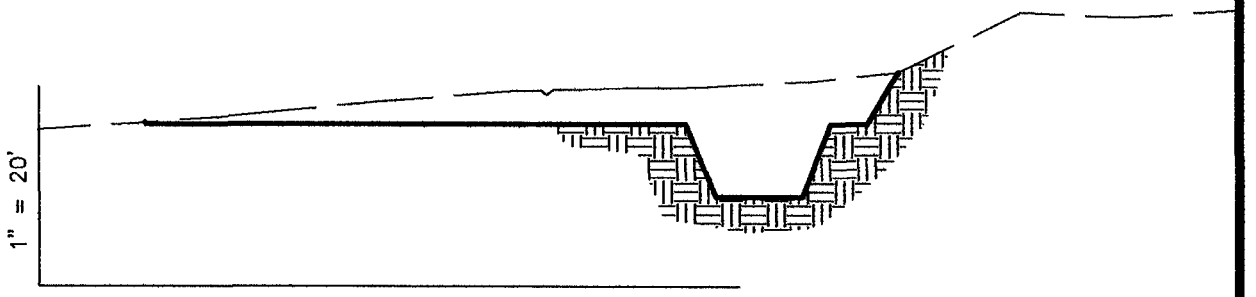
NEWFIELD PRODUCTION COMPANY

CROSS SECTIONS

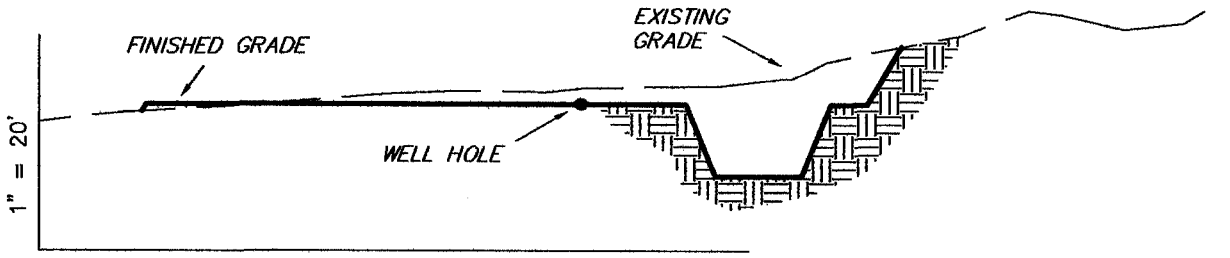
4-28-6-21



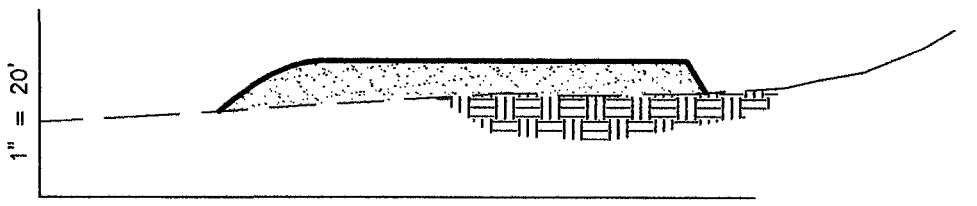
STA. 2+90



STA. 2+22



STA. 1+60



STA. 0+00

NOTE:
UNLESS OTHERWISE NOTED
ALL CUT/FILL SLOPES ARE
AT 1.5:1

ESTIMATED EARTHWORK QUANTITIES
(No Shrink or swell adjustments have been used)
(Expressed in Cubic Yards)

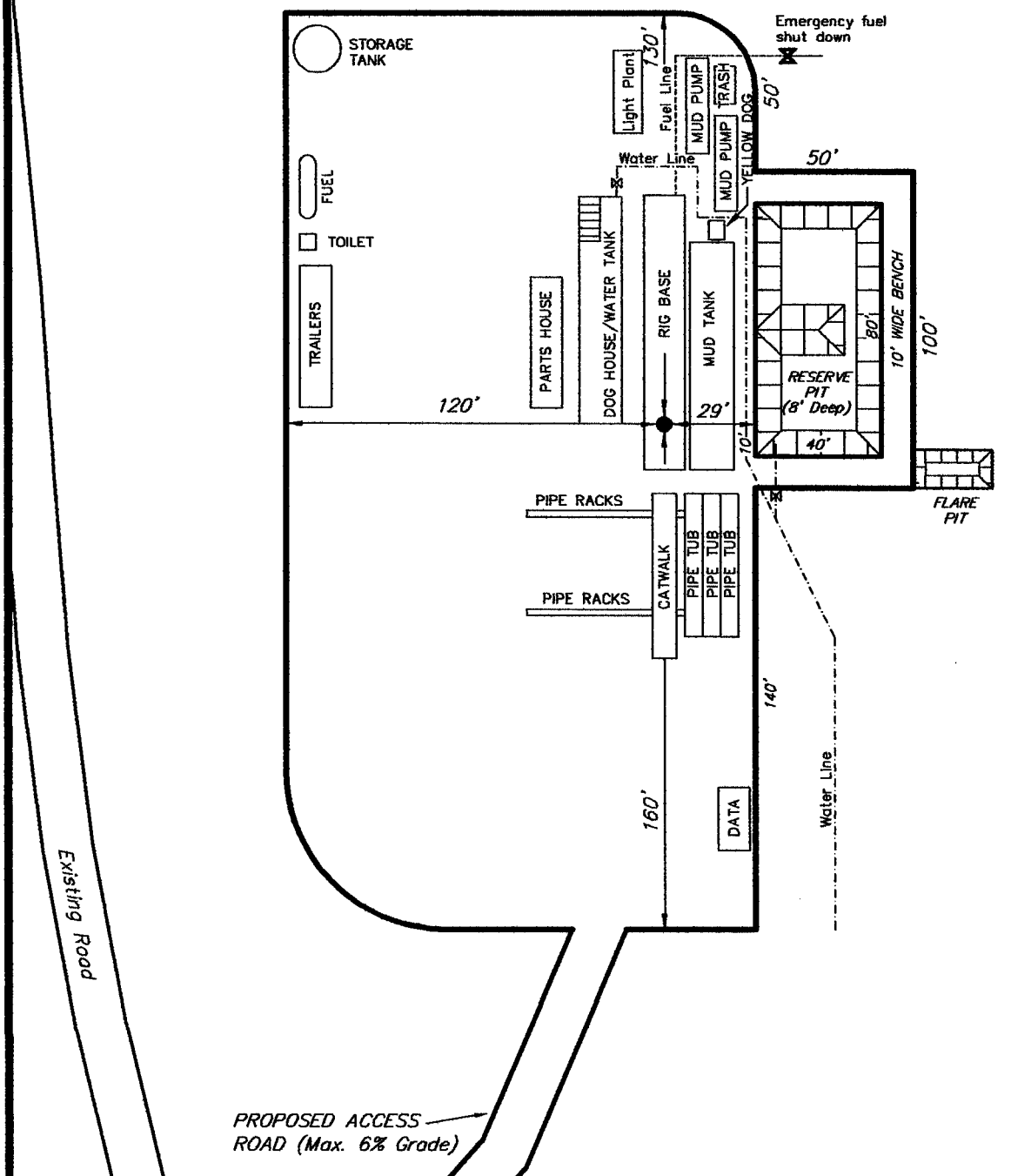
ITEM	CUT	FILL	6" TOPSOIL	EXCESS
PAD	2,190	2,190	Topsoil is not included in Pad Cut	0
PIT	640	0		640
TOTALS	2,830	2,190	970	640

SURVEYED BY: D.P.	SCALE: 1" = 50'	Tri State Land Surveying, Inc.	(435) 781-2501
DRAWN BY: F.T.M.	DATE: 03-28-06	180 NORTH VERNAL AVE. VERNAL, UTAH 84078	

NEWFIELD PRODUCTION COMPANY

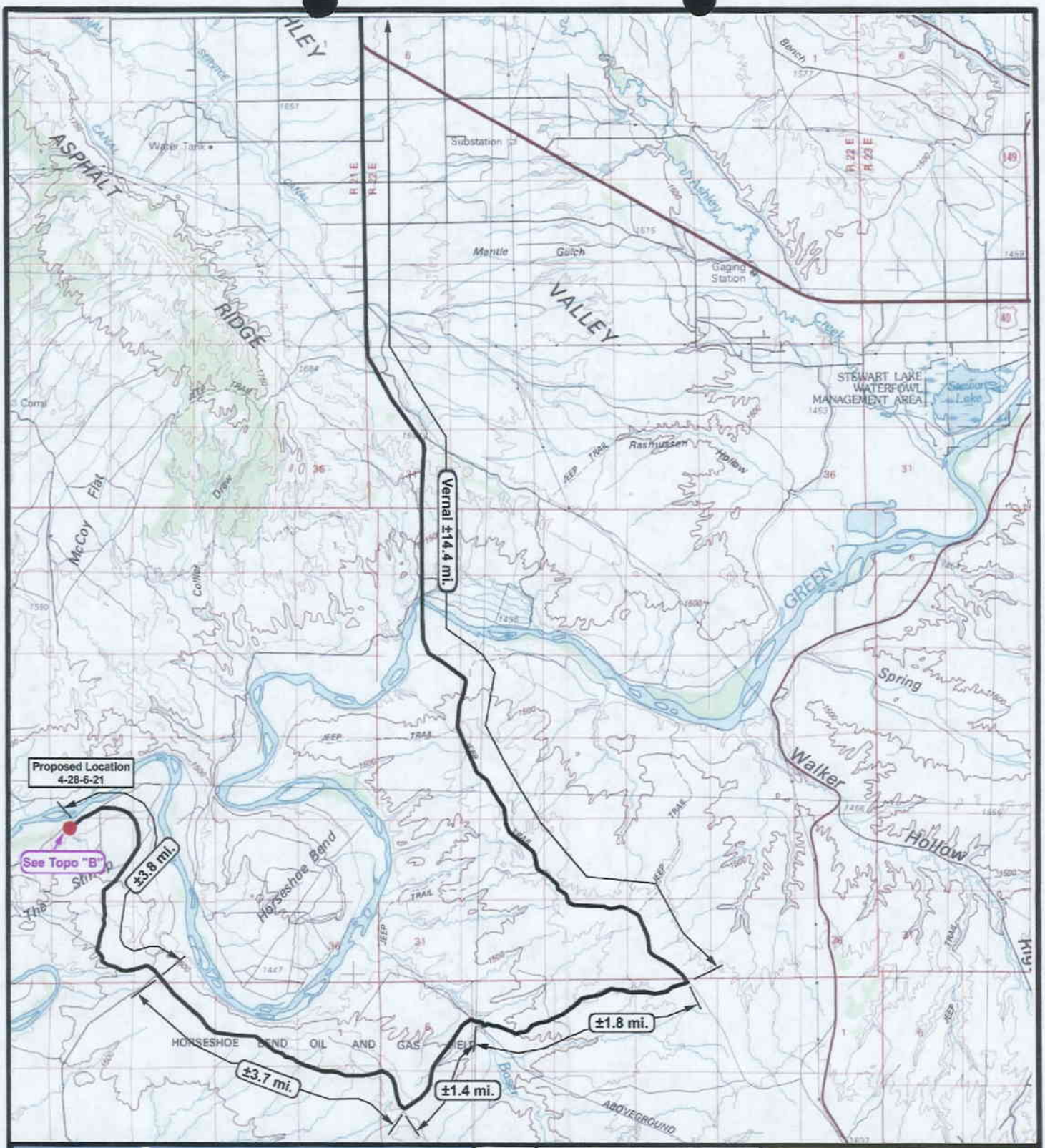
TYPICAL RIG LAYOUT

4-28-6-21



SURVEYED BY: D.P.		SCALE:	1" = 50'
DRAWN BY: F.T.M.		DATE:	07-11-06

Tri State Land Surveying, Inc.
(435) 781-2501
180 NORTH VERNAL AVE. VERNAL, UTAH 84078



NEWFIELD
Exploration Company

4-28-6-21
SEC. 28, T6S, R21E, S.L.B.&M.

N

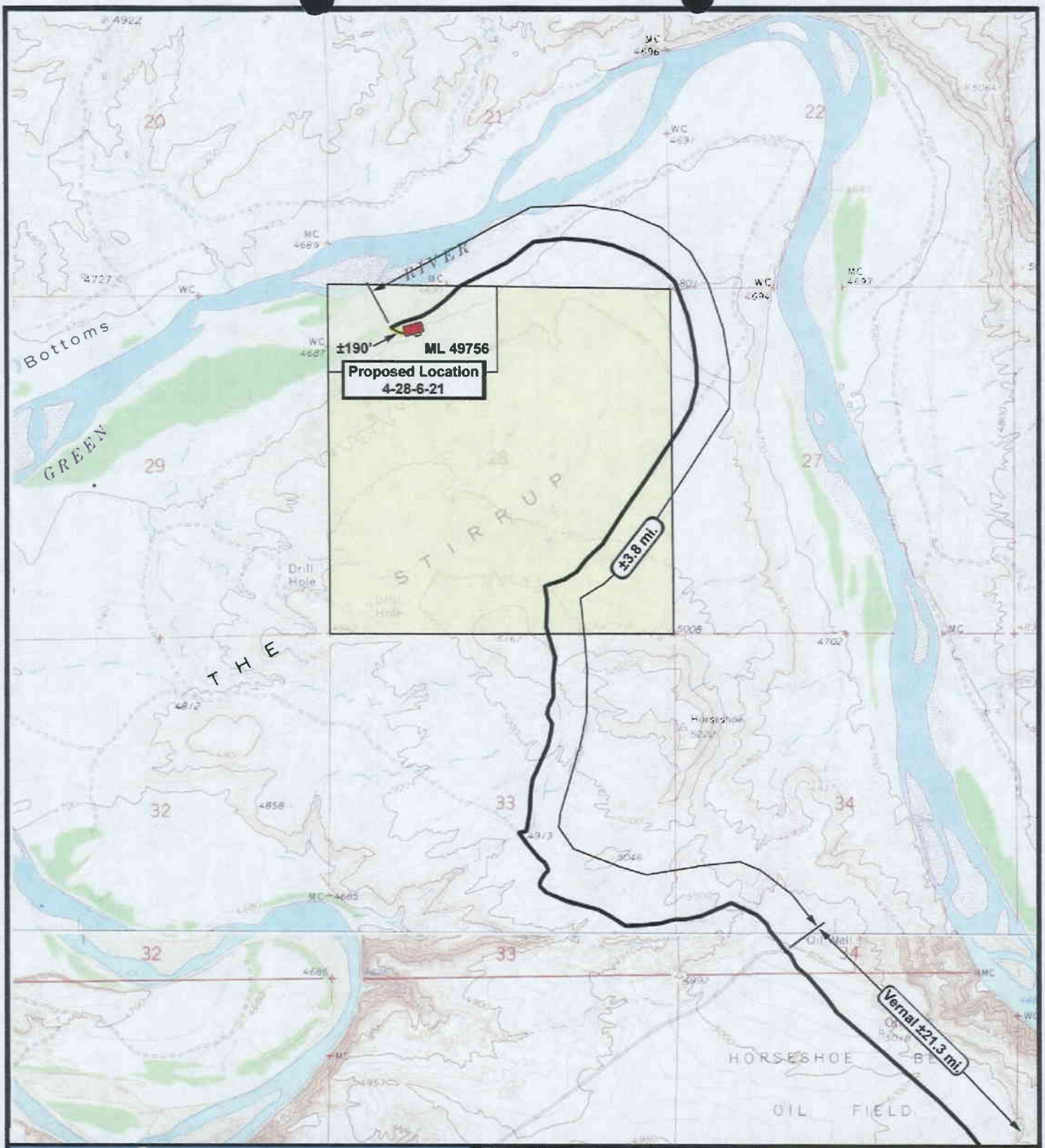
Tri-State Land Surveying Inc.
(435) 781-2501
180 North Vernal Ave. Vernal, Utah 84078

SCALE: 1 = 100,000
DRAWN BY: mw
DATE: 03-14-2006

Legend

Existing Road
Proposed Access

TOPOGRAPHIC MAP
"A"



NEWFIELD
Exploration Company

4-28-6-21
SEC. 28, T6S, R21E, S.L.B.&M.

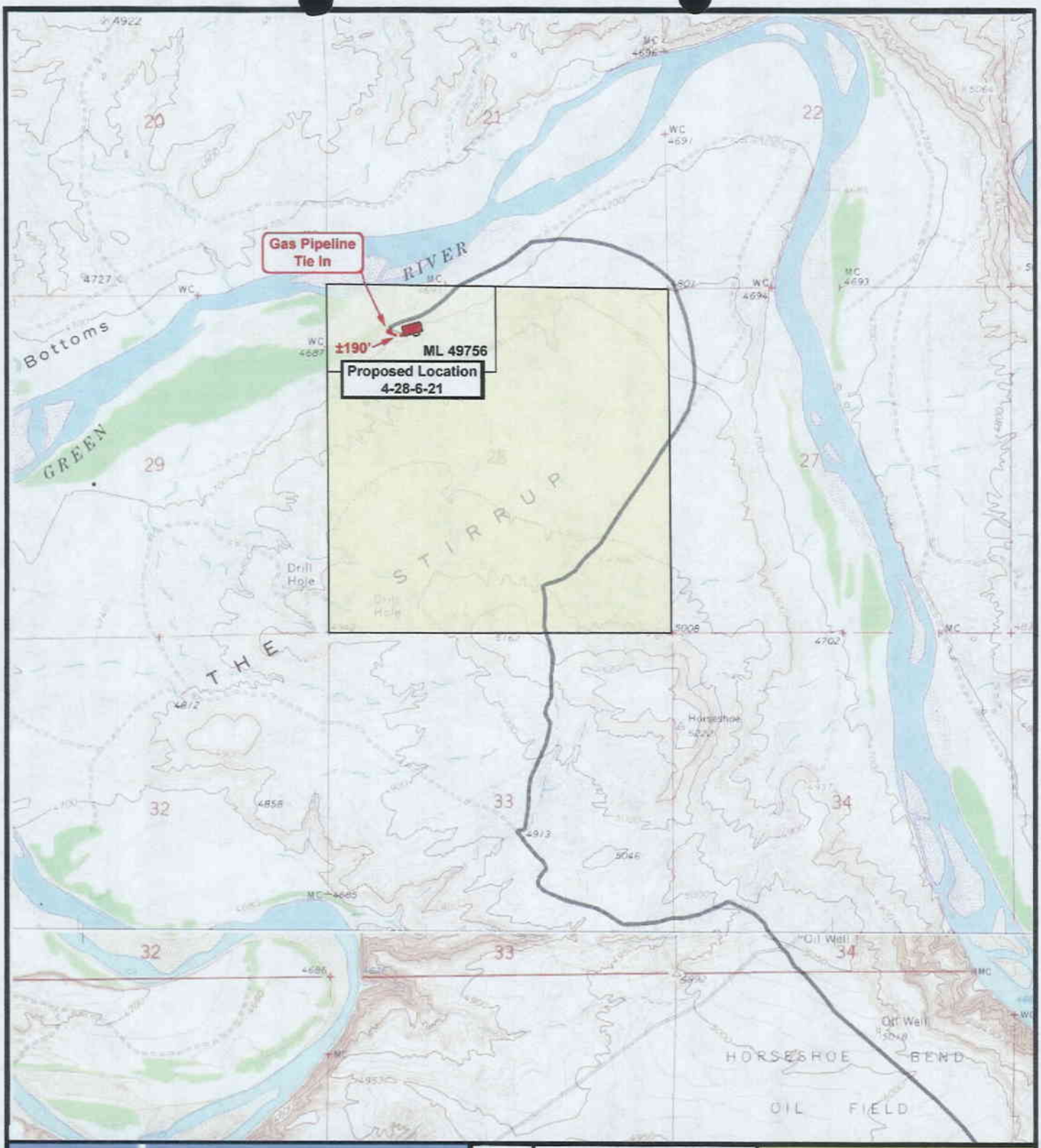
N

Tri-State Land Surveying Inc.
(435) 781-2501
180 North Vernal Ave. Vernal, Utah 84078

SCALE: 1" = 2,000'
DRAWN BY: mw
DATE: 07-13-2006

Legend
Existing Road
Proposed Access

TOPOGRAPHIC MAP
"B"



NEWFIELD
Exploration Company

4-28-6-21
SEC. 28, T6S, R21E, S.L.B.&M.

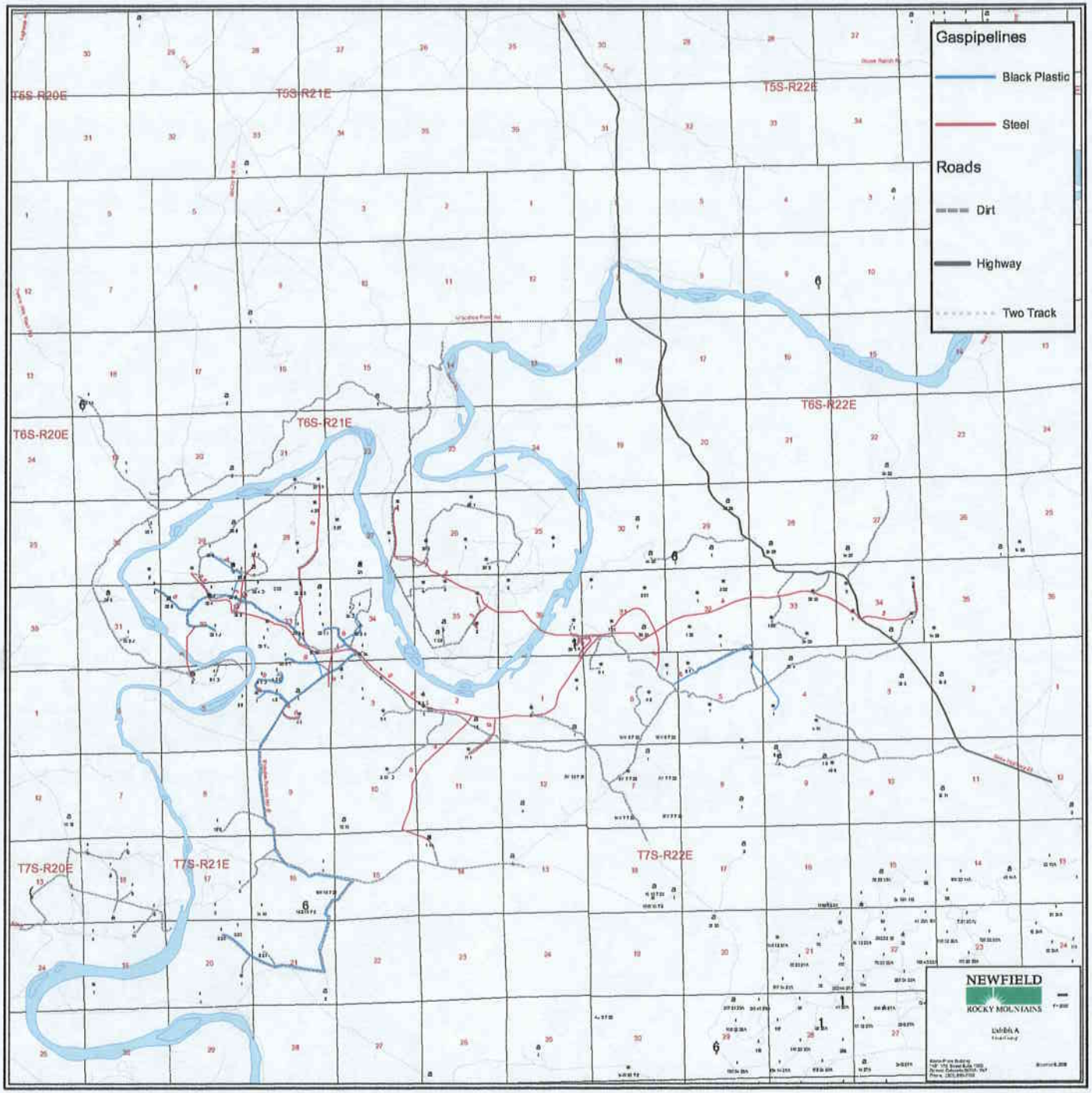
N

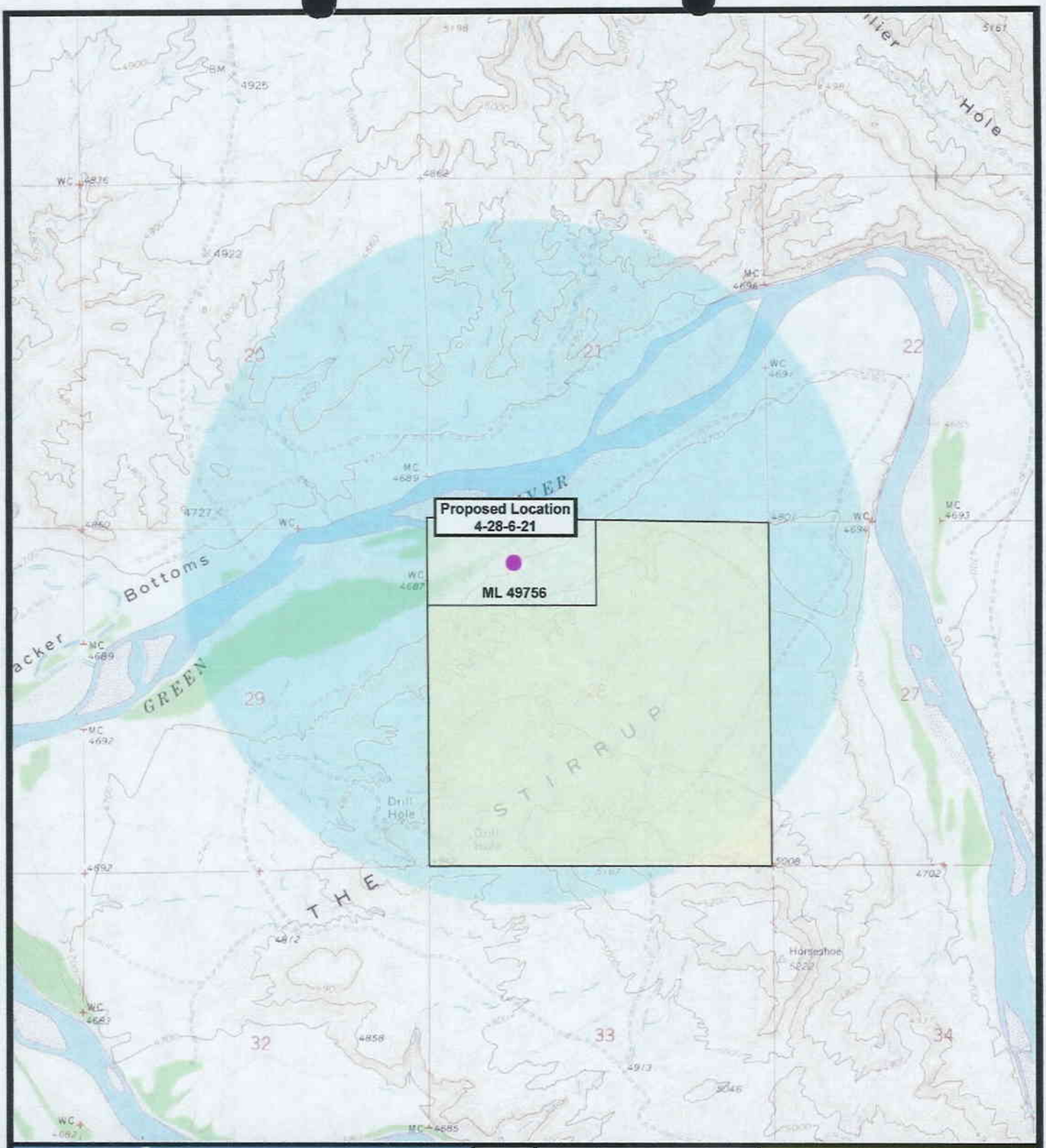
Tri-State Land Surveying Inc.
(435) 781-2501
180 North Vernal Ave. Vernal, Utah 84078

SCALE: 1" = 2,000'
DRAWN BY: mw
DATE: 07-13-2006

Legend
Roads
Proposed Gas Line

TOPOGRAPHIC MAP
"C"


Gaspipelines
Black Plastic
Steel
Roads
Dirt
Highway
Two Track
T6S-R20E
T5S-R21E
T5S-R22E
T6S-R21E
T6S-R22E
T7S-R20E
T7S-R21E
T7S-R22E
NEWFIELD
ROCKY MOUNTAINS
Exhibit A



NEWFIELD
Exploration Company

4-28-6-21
SEC. 28, T6S, R21E, S.L.B.&M.

N

Tri-State Land Surveying Inc.
(435) 781-2501
180 North Vernal Ave. Vernal, Utah 84078

SCALE: 1" = 2,000'
DRAWN BY: mw
DATE: 07-13-2006

Legend
- Well Locations
- One-Mile Radius

Exhibit "B"

3-M SYSTEM
Blowout Prevention Equipment Systems

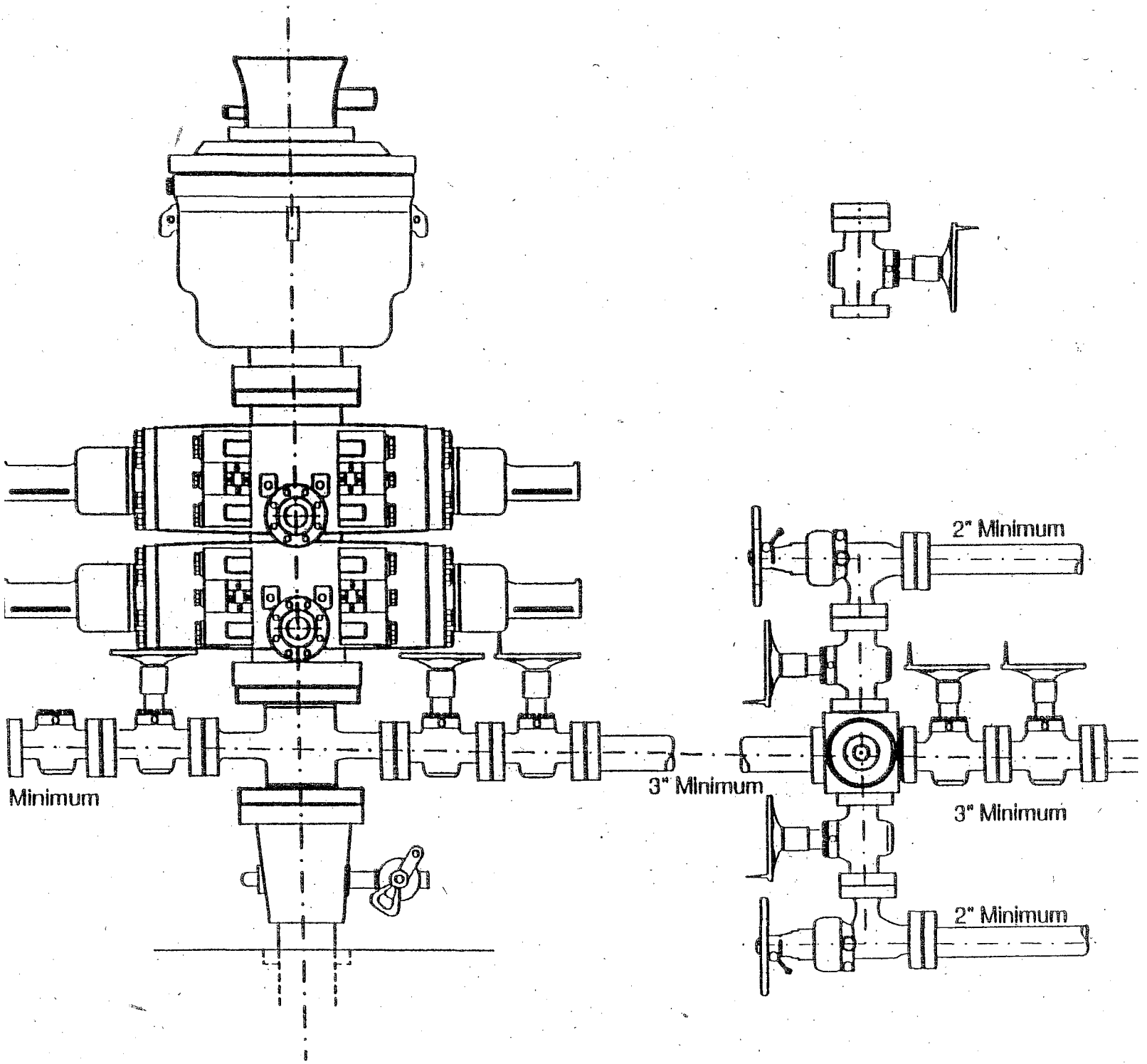


EXHIBIT C

Exhibit "E"
1 of 3

State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF WATER RIGHTS

Michael O. Leavitt
Governor
Kathleen Clarke
Executive Director
Robert L. Morgan
State Engineer

1594 West North Temple, Suite 220
PO Box 146300
Salt Lake City, Utah 84114-6300
801-538-7240
801-538-7467 (Fax)

August 11, 2000

Target Trucking 43-10988
Dan McKee or R.C. Hacking
3960 North 500 East
Vernal, UT 84078

Dear Applicant:

RE: APPROVED APPLICATION
NUMBER 43-10988 (F72511)

This is your authority to develop the water under the above referenced application which under Sections 73-3-10 and 73-3-12, Utah Code Annotated, 1953, as amended, must be diligently prosecuted to completion. The water must be put to beneficial use and proof of beneficial use be made to the State Engineer on or before August 31, 2003; otherwise, the application will be lapsed.

Proof of beneficial use is evidence to the State Engineer that the water has been placed to its full intended beneficial use. By law, it must be prepared by a registered engineer or land surveyor, who will certify to the location and the uses for the water. Your proof of beneficial use will become the basis for the extent of your water right.

Failure on your part to comply with the requirements of the statutes may result in forfeiture of this application. **It is the applicant's obligation to maintain a current address with this office. Please notify this office immediately of any change.**

Also enclosed are two post cards. You must give the Driller (Start) Card to the licensed driller with whom you contract to construct the well(s). The other card is the Applicant Card which is your responsibility to sign and return to this office immediately after final completion of the well. CAUTION: There may be local health department requirements for the actual siting of your well. Please check with the proper local authority before construction begins.

Your contact with this office, should you need it, is with the Vernal Regional Office. The telephone number is (435)781-5327.

Sincerely,

Robert L. Morgan

Robert L. Morgan, P.E.
State Engineer

RLM:et
Encl.: Memorandum Decision

Resolution No. 05- 05 - 209
Uintah and Ouray Agency
Fort Duchesne, UT

WHEREAS, the Ute Tribal Business Committee, has the right to approve or veto any sale, disposition, lease or encumbrance of Tribal Lands, interest in Tribal lands or other Tribal assets, which may be authorized or execute by officials or Agency of the Government, provides that no Tribal lands shall ever be encumbered or sold, except leases for mining purposes or on irrigable land may be made for such longer periods as may be authorized by law;

WHEREAS, Energy producers Reservation wide have a need for industrial water to drill oil and gas wells; and

WHEREAS, AC/DC Fence and Roustabout Company proposes to pump water out and to build French drains, if needed, from Reservation wide to supply industrial water to the energy producers for the purpose of drilling oil and gas wells; and

WHEREAS, Energy producers within the boundaries of the U & O reservation; have a need for industrial water to drill oil and gas wells. Also, to build French drains, as needed; and

WHEREAS, AC/DC Fencing and Roustabout Company, proposes to pay the Ute Indian Tribe a reasonable market value of five (.5) cents for each barrel of water sold to energy producers through their company, and twenty-five (.25) cents to AC/DC for a total of thirty (.30) cents per barrel,

NOW, THEREFORE, BE IT RESOLVED BY THE TRIBAL BUSINESS COMMITTEE OF THE UTE INDIAN TRIBE OF THE UINTAH AND OURAY RESERVATION, UTAH, in order to promote independent business among tribal members, and to foster the economic welfare of tribal members and to develop if needed Group VI water rights of the Ute Indian Tribe, the Ute Indian Tribe hereby grants authority to AC/DC Fence and Roustabout Company to develop resources Reservation wide for the purpose of energy development.

BE IT FURTHER RESOLVED, that AC/DC Fence and Roustabout pay a reasonable market value for all water sold through their company for a period of two (2) year.

M. Maxine Natchees, Chairman

ABSENT
T. Smiley Arrowchis, Vice-Chairman

Frances Poowegup, Member

Ronald A. Groves, Member

Irene Cuch, Member

Richard Jenks Jr, Member

209

CERTIFICATION

I hereby certify that the foregoing Resolution was adopted by the Tribal Business Committee of the Ute Indian Tribe of the Uintah and Ouray Reservation, Utah, at a duly called meeting at Fort Duchesne, Utah, on the 13 day of July, 2005, at which time a quorum was present and voted 5 FOR, 0 AGAINST, 0 ABSTAINING, and 1 ABSENT.

Secretary of the Tribal Business Committee

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

State of Utah

Department of Natural Resources

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas & Mining

JOHN R. BAZA
Division Director

September 21, 2006

Newfield Production Company
Rt. #3, Box 3630
Myton, UT 84052

Re: Horseshoe Bend State 4-28-6-21 Well, 705' FNL, 1295' FWL, NW NW, Sec. 28, T. 6 South, R. 21 East, Uintah County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann.§ 40-6-1 *et seq.*, Utah Administrative Code R649-3-1 *et seq.*, and the attached Conditions of Approval, approval to drill the referenced well is granted.

Appropriate information has been submitted to DOGM and administrative approval of the requested exception location is hereby granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-38366.

Sincerely,

Gil Hunt
Associate Director

pab
Enclosures

cc: Uintah County Assessor
SITLA

Operator: Newfield Production Company
Well Name & Number Horseshoe Bend State 4-28-6-21
API Number: 43-047-38366
Lease: ML-49756

Location: NW NW **Sec.** 28 **T.** 6 South **R.** 21 East

Conditions of Approval

1. **General**
   Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for Permit to Drill.

2. **Notification Requirements**
   The operator is required to notify the Division of Oil, Gas and Mining of the following actions during drilling of this well:
   - 24 hours prior to cementing or testing casing
   - 24 hours prior to testing blowout prevention equipment
   - 24 hours prior to spudding the well
   - within 24 hours of any emergency changes made to the approved drilling program
   - prior to commencing operations to plug and abandon the well

   The following are Division of Oil, Gas and Mining contacts and their work telephone numbers (please leave a voice mail message if the person is not available to take the call):
   - Dan Jarvis at (801) 538-5338
   - Carol Daniels at (801) 538-5284 (spud)

3. **Reporting Requirements**
   All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

4. Compliance with the State of Utah Antiquities Act forbids disturbance of archeological, historical, or paleontological remains. Should archeological, historical or paleontological remains be encountered during your operations, you are required to immediately suspend all operations and immediately inform the Trust Lands Administration and the Division of State History of the discovery of such remains.

5. This proposed well is located in an area for which drilling units (well spacing patterns) have not been established through an order of the Board of Oil, Gas and Mining (the "Board"). In order to avoid the possibility of waste or injury to correlative rights, the operator is requested, once the well has been drilled, completed, and has produced, to analyze geological and engineering data generated therefrom, as well as any similar data from surrounding areas if available. As soon as is practicable after completion of its analysis, and if the analysis suggests an area larger than the quarter-quarter section upon which the well is located is being drained, the operator is requested to seek an appropriate order from the Board establishing drilling and spacing units in conformance with such analysis by filing a Request for Agency Action with the Board.

6. Compliance with the Conditions of Approval/Application for Permit to Drill outlined in the Statement of Basis. (Copy Attached)

7. Surface casing shall be cemented to the surface.

FORM 9

STATE OF UTAH

DIVISION OF OIL, GAS, AND MINING

1. **SUNDRY NOTICES AND REPORTS ON WELLS** Do not use this form for proposals to drill new wells, deepen existing wells, or to reenter plugged and abandoned wells. Use "APPLICATION FOR PERMIT TO DRILL OR DEEPEN form for such proposals.	5. LEASE DESIGNATION AND SERIAL NO. **ML-49756** 6. IF INDIAN, ALLOTTEE OR TRIBAL NAME **N/A**
OIL WELL [X] GAS WELL [ ] OTHER [ ]	7. UNIT AGREEMENT NAME **NA**
2. NAME OF OPERATOR **INLAND PRODUCTION COMPANY**	8. WELL NAME and NUMBER **HORSESHOE BEND ST 4-28-6-21**
3. ADDRESS AND TELEPHONE NUMBER **Rt. 3 Box 3630, Myton Utah 84052** **435-646-3721**	9 API NUMBER **43-047-38366**
4. LOCATION OF WELL Footages **705 FNL 1295 FWL** QQ, SEC, T, R, M: **NW/NW Section 28, T6S R21E**	10 FIELD AND POOL, OR WILDCAT **HORSESHOE BEND** COUNTY **UINTAH** STATE **UTAH**

11. **CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA**

NOTICE OF INTENT: (Submit in Duplicate)		SUBSEQUENT REPORT OF: (Submit Original Form Only)	
[ ] ABANDON	[ ] NEW CONSTRUCTION	[ ] ABANDON*	[ ] NEW CONSTRUCTION
[ ] REPAIR CASING	[ ] PULL OR ALTER CASING	[ ] REPAIR CASING	[ ] PULL OR ALTER CASING
[X] CHANGE OF PLANS	[ ] RECOMPLETE	[ ] CHANGE OF PLANS	[ ] RECOMPLETE
[ ] CONVERT TO INJECTION	[ ] REPERFORATE	[ ] CONVERT TO INJECTION	[ ] REPERFORATE
[ ] FRACTURE TREAT OR ACIDIZE	[ ] VENT OR FLARE	[ ] FRACTURE TREAT OR ACIDIZE	[ ] VENT OR FLARE
[ ] MULTIPLE COMPLETION	[ ] WATER SHUT OFF	[ ] OTHER _____	
[ ] OTHER _____		DATE WORK COMPLETED _____	
		Report results of Multiple Completion and Recompletions to different reservoirs on WELL COMPLETION OR RECOMPLETION REPORT AND LOG form.	
		*Must be accompanies by a cement verification report.	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. (Clearly state all pertinent details, and give pertinent dates. If well is directionally drilled, give subsurface locations and measured and true vertical depth for all markers and zones pertinent to this work.

Newfield Production Company requests to amend the Drilling Water Source that will be used for the purposes of drilling the above mentioned well. It is proposed that we will use either of the two approved sites:
Permit # 43-9077, William E. Brown, Sec. 32, T6S R20E
Permit #43-10447, Kenneth Joe Batty, Sec. 9, T8S R20E
A copy of the approved State of Utah Water Source Permits are Attached.

13.
NAME & SIGNATURE Mandie Crozier TITLE Regulatory Specialist DATE 11/20/2006

(This space for State use only)

4/94 * See Instructions On Reverse Side

RECEIVED
NOV 2 1 2006
DIV. OF OIL, GAS & MINING

FILING FOR WATER IN THE STATE OF UTAH

Rec. by AC
Fee Rec. 100.00 CASH
Receipt # 00-00162

APPLICATION TO APPROPRIATE WATER

For the purpose of acquiring the right to use a portion of the unappropriated water of the State of Utah, application is hereby made to the State Engineer, based upon the following showing of facts, submitted in accordance with the requirements to Title 73, Chapter 3 of the Utah Code Annotated (1953, as amended)

WATER RIGHT NUMBER: 43 - 10991 **APPLICATION NUMBER:** F72549

1. **OWNERSHIP INFORMATION:** LAND OWNED? Yes

   A. **NAME:** Kenneth Joe Batty
   ADDRESS: 1600 North 1500 West, Vernal, UT 84078

   B. **PRIORITY DATE:** December 17, 1999 **FILING DATE:** December 17, 1999

2. **SOURCE INFORMATION:**

   A. **QUANTITY OF WATER:** 0.25 cfs

   B. **SOURCE:** Under Ground Water Well **COUNTY:** Uintah

   C. **POINT OF DIVERSION -- UNDERGROUND:**
   (1) N 1160 feet W 500 feet from E¼ corner, Section 9, T 8S, R 20E, SLBM
   WELL DIAMETER: 12 inches WELL DEPTH: 70 feet
   COMMENT: Existing well drilled under Water Right 43-10447

   D. **COMMON DESCRIPTION:** 3.5 miles north of Ouray

3. **WATER USE INFORMATION:**

   OIL EXPLORATION: From Jan 1 to Dec 31 Oil and Gas drilling and production.

4. **EXPLANATORY:**

   20 Year fixed time application

   Place of Use: Pumped in to trucks and delivered for oil and gas drilling & production within the Uintah Basin

APPLICATION FOR TEMPORARY CHANGE OF WATER

STATE OF UTAH

Rec. by _____
Fee Paid $ _____
Receipt # _____
Microfilmed _____
Roll # _____

For the purpose of obtaining permission to make a temporary change of water in the State of Utah, application is hereby made to the State Engineer, based upon the following showing of facts, submitted in accordance with the requirements of Section 73-3-3 Utah Code Annotated 1953, as amended.

CHANGE APPLICATION NUMBER: t21552 WATER RIGHT NUMBER: 43 - 9077

This Change Application proposes to change the POINT(S) OF DIVERSION, PLACE OF USE, and NATURE OF USE.

1. OWNERSHIP INFORMATION.

A. NAME: William E. Brown INTEREST: 100%
ADDRESS: HC 69 Box 160, Randlett, UT 84063

B. PRIORITY OF CHANGE: September 19, 1997 FILING DATE: September 19, 1997

C. EVIDENCED BY:
43-9077 (A56977)

DESCRIPTION OF CURRENT WATER RIGHT:

2. SOURCE INFORMATION.

A. QUANTITY OF WATER: 0.015 cfs

B. SOURCE: Unnamed Spring Area COUNTY: Uintah

C. POINT OF DIVERSION -- SURFACE:
(1) S 1320 feet W 1320 feet from NE corner, Section 32, T 6S, R 20E, SLBM
DIVERT WORKS: Collection box
SOURCE: Unnamed Spring Area

3. WATER USE INFORMATION.

STOCKWATERING: from Jan 1 to Dec 31. EQUIVALENT LIVESTOCK UNITS: 120.

[redacted] Temporary Change [redacted]

RECEIVED

OCT 0 9 2007

DIV. OF OIL, GAS & MINING

FORM 9

STATE OF UTAH

DIVISION OF OIL, GAS, AND MINING

1. **SUNDRY NOTICES AND REPORTS ON WELLS** Do not use this form for proposals to drill new wells, deepen existing wells, or to reenter plugged and abandoned wells. Use "APPLICATION FOR PERMIT TO DRILL OR DEEPEN form for such proposals.	5. LEASE DESIGNATION AND SERIAL NO. **ML-49756** 6. IF INDIAN, ALLOTTEE OR TRIBAL NAME **N/A**
OIL WELL [ ] GAS WELL [ ] OTHER [X]	7. UNIT AGREEMENT NAME **NA**
2. NAME OF OPERATOR **NEWFIELD PRODUCTION COMPANY**	8. WELL NAME and NUMBER **HORSESHOE BEND ST 4-28-6-21**
3. ADDRESS AND TELEPHONE NUMBER **Rt. 3 Box 3630, Myton Utah 84052** **435-646-3721**	9 API NUMBER **43-047-38366**
4. LOCATION OF WELL Footages **705 FNL 1295 FWL** QQ, SEC, T, R, M: **NW/NW Section 28, T6S R21E**	10 FIELD AND POOL, OR WILDCAT **HORSESHOE BEND** COUNTY **UINTAH** STATE **UTAH**

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA

NOTICE OF INTENT: (Submit in Duplicate)		SUBSEQUENT REPORT OF: (Submit Original Form Only)	
[ ] ABANDON	[ ] NEW CONSTRUCTION	[ ] ABANDON*	[ ] NEW CONSTRUCTION
[ ] REPAIR CASING	[ ] PULL OR ALTER CASING	[ ] REPAIR CASING	[ ] PULL OR ALTER CASING
[ ] CHANGE OF PLANS	[ ] RECOMPLETE	[ ] CHANGE OF PLANS	[ ] RECOMPLETE
[ ] CONVERT TO INJECTION	[ ] REPERFORATE	[ ] CONVERT TO INJECTION	[ ] REPERFORATE
[ ] FRACTURE TREAT OR ACIDIZE	[ ] VENT OR FLARE	[ ] FRACTURE TREAT OR ACIDIZE	[ ] VENT OR FLARE
[ ] MULTIPLE COMPLETION	[ ] WATER SHUT OFF	[ ] OTHER	
[X] OTHER **Permit Extension**		DATE WORK COMPLETED	

Report results of Multiple Completion and Recompletions to different reservoirs on WELL COMPLETION OR RECOMPLETION REPORT AND LOG form.

*Must be accompanies by a cement verification report.

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. (Clearly state all pertinent details, and give pertinent dates. If well is directionally drilled, give subsurface locations and measured and true vertical depth for all markers and zones pertinent to this work.

Newfield Production Company requsts to extend the Permit to Drill this well for one more year. The original approval date was 9/21/06.

13.

NAME & SIGNATURE: Mandie Crozier TITLE Regulatory Specialist DATE 10/4/2007

(This space for State use only)

4/94 * See Instructions On Reverse Side

10-11-07
RM

Approved by the
Utah Division of
Oil, Gas and Mining

Date: 10-10-07

By:

[redacted]

Application for Permit to Drill
Request for Permit Extension
Validation
(this form should accompany the Sundry Notice requesting permit extension)

API: 43-047-38366
Well Name: Horseshoe Bend State 4-28-6-21
Location: NW/NW Section 28,T6S R21E
Company Permit Issued to: Newfield Production Company
Date Original Permit Issued: 9/21/2006

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision.

Following is a checklist of some items related to the application, which should be verified.

If located on private land, has the ownership changed, if so, has the surface agreement been updated? Yes☑No☐

Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? Yes☐No☑

Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes☐No☑

Have there been any changes to the access route including ownership, or right-of-way, which could affect the proposed location? Yes☐No☑

Has the approved source of water for drilling changed? Yes☐No☑

Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes☐No☑

Is bonding still in place, which covers this proposed well? Yes☑No☐

Signature

10/4/2007
Date

Title: Regulatory Specialist

Representing: Newfield Production Company

FORM 9

STATE OF UTAH

DIVISION OF OIL, GAS, AND MINING

1. **SUNDRY NOTICES AND REPORTS ON WELLS** Do not use this form for proposals to drill new wells, deepen existing wells, or to reenter plugged and abandoned wells. Use "APPLICATION FOR PERMIT TO DRILL OR DEEPEN form for such proposals.	5. LEASE DESIGNATION AND SERIAL NO. **ML-49756** 6. IF INDIAN, ALLOTTEE OR TRIBAL NAME **N/A**
OIL WELL [ ] GAS WELL [ ] OTHER [X]	7. UNIT AGREEMENT NAME **NA**
2. NAME OF OPERATOR **NEWFIELD PRODUCTION COMPANY**	8. WELL NAME and NUMBER **HORSESHOE BEND ST 4-28-6-21**
3. ADDRESS AND TELEPHONE NUMBER **Rt. 3 Box 3630, Myton Utah 84052** **435-646-3721**	9 API NUMBER **43-047-38366**
4. LOCATION OF WELL Footages **705 FNL 1295 FWL** QQ, SEC, T, R, M: **NW/NW Section 28, T6S R21E**	10 FIELD AND POOL, OR WILDCAT **HORSESHOE BEND** COUNTY **UINTAH** STATE **UTAH**

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[ ] FRACTURE TREAT OR ACIDIZE	[ ] VENT OR FLARE	[ ] FRACTURE TREAT OR ACIDIZE	[ ] VENT OR FLARE
[ ] MULTIPLE COMPLETION	[ ] WATER SHUT OFF	[ ] OTHER	
[X] OTHER **Permit Extension**		DATE WORK COMPLETED	
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		*Must be accompanies by a cement verification report.	

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Newfield Production Company requsts to extend the Permit to Drill this well for one more year.

13.
NAME & SIGNATURE Mandie Crozier TITLE Regulatory Specialist DATE 8/27/2008

(This space for State use only)

4/94 * See Instructions On Reverse Side

RECEIVED
AUG 28 2008
DIV. OF OIL, GAS & MINING

Approved by the
Utah Division of
Oil, Gas and Mining

Date: 09-02-08
By:

COPY SENT TO OPERATOR
Date: 9.3.2008
Initials: KS

RESET

Application for Permit to Drill
Request for Permit Extension
Validation
(this form should accompany the Sundry Notice requesting permit extension)

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Is bonding still in place, which covers this proposed well? Yes☑ No☐

Signature

8/27/2008
Date

Title: Regulatory Specialist

Representing: Newfield Production Company

JON M. HUNTSMAN, JR.
Governor
GARY R. HERBERT
Lieutenant Governor

State of Utah
DEPARTMENT OF NATURAL RESOURCES
MICHAEL R. STYLER
Executive Director
Division of Oil, Gas and Mining
JOHN R. BAZA
Division Director

September 22, 2009

Mandie Crozier
Newfield Production Co
Route 3 Box 3630
Myton, UT 84052

Re: APD Rescinded – Horseshoe Bend St 4-28-6-21, Sec. 28 T.6S, R.21E
Uintah County, Utah API No. 43-047-38366

Dear Ms. Crozier:

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining (Division) on September 21, 2006. On October 10, 2007 and September 2, 2008 the Division granted a one-year APD extension.

No drilling activity at this location has been reported to the division. Therefore, approval to drill the well is hereby rescinded, effective September 22, 2009.

A new APD must be filed with this office for approval prior to the commencement of any future work on the subject location.

If any previously unreported operations have been performed on this well location, it is imperative that you notify the Division immediately.

Sincerely,

Diana Mason
Environmental Scientist

cc: Well File
SITLA, Ed Bonner

1594 West North Temple, Suite 1210, PO Box 145801, Salt Lake City, UT 84114-5801
telephone (801) 538-5340 • facsimile (801) 359-3940 • TTY (801) 538-7458 • *www.ogm.utah.gov*

UTAH DNR OIL, GAS & MINING